



Daily Report

Latin America

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12 April 1989

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Cuba

Commentary on Regions' Debt, Gorbachev Visit

PA1104204089 Havana International Service
in Spanish 0000 GMT 7 Apr 89

["Our America" commentary read by Manolo Ortega]

[Text] It is no secret to anyone that the foreign debt is the most serious problem affecting Latin Americans today. The consequences of the foreign debt are so onerous to the Latin American people that it is frequently said that the social turmoil resulting from the debt problem is impossible to stop. Most heads of state, and not just Latin American leaders, feel pressure from the foreign banks to pay the debt. Other countries are aware of and sensitive to the current and potential hemispheric problems that have arisen and will continue to arise unless the staggering debt problem is solved.

The most outstanding examples of sensitivity to the problems of the debtor nations have been shown on several occasions by Soviet leader Mikhail Gorbachev and Cuban President Fidel Castro. Of course, during the speeches made by both statesmen before the Cuban Assembly during Gorbachev's visit to Cuba, these concerns arose again.

Referring to the gap between the developing nations and the small group of technologically advanced nations, the Soviet leader recalled that one of the reasons for that gap is precisely the foreign debt. Gorbachev said that long-range proposals had been presented to solve the foreign debt problem through the alleviation of the burden on the debtor nations and the strain on the international financial and monetary system.

Cuban leader Fidel Castro said that the USSR proposed a 30-year moratorium on the debt. The Cuban leader emphasized: We have proposed writing off the debt, but, as we have said before, the proclamation that the debt will be eliminated must be considered with the proposal to establish a 30-year moratorium on the Third World foreign debt. Fidel Castro added that it is unnecessary to talk at length about the tragic consequences of the foreign debt on the debtor nations, and particularly on Latin American countries. It is unnecessary to speak at length, he insisted, about what we all know are the resulting economic crises, the hunger, and the terrible poverty afflicting those countries, and particularly Latin American countries.

During the extensive analysis that the Soviet and Cuban leaders made of the Latin American economies, solutions were proposed, such as diverting resources now expended on the arms race toward finding a solution to development and foreign debt problems. Undoubtedly, this would be one way to reach a solution and to secure peace and complete happiness for mankind. In other

commentaries, we will continue to analyze the speeches by these important statesmen that addressed this subject and other international issues.

Resumption of Political Activity in Namibia

FL1104161889 Havana Radio Reloj Network
in Spanish 1402 GMT 11 Apr 89

[Text] Political activity in Namibia, especially in Windhoek, appears to have resumed today with the announcement of the creation of a new party and the organization of proselyting activities. The electoral campaign had been paralyzed throughout Namibia since 1 April, the day when the UN Security Council Resolution 435 began to be implemented. The purpose of this resolution is to regulate the decolonialization process scheduled to end in November with general elections.

The first step for Namibia's independence plan beginning on 1 April, the withdrawal of the South African troops and the Namibian Territorial Army, was blocked when fighting began with the SWAPO [South-West African People's Organization] in northern Namibia. However, things in Namibia appear to have taken their course following the tripartite agreement reached on Sunday after SWAPO decided to declare a cease-fire and to transfer its forces to Angola.

The creation of a new political party called Democratic Action was announced today in Namibia's capital while the Democratic Union held its first news conference on the elections. The only party that held public rallies on the elections during the 8 days of armed clashes in northern Namibia was the Democratic Turnhalle Alliance. This party has an anti-SWAPO political platform and is openly supported by white and South African sectors. The anti-SWAPO electoral actions were not harassed by police, however, a religious congregation that expressed its support to Namibia's liberation movement was closely watched by military forces. The [words indistinct] demonstrated together with the SWAPO in the Katutura neighborhood in the capital which is something like South Africa's black Soweto. Its name means where nobody wants to live.

It was reported today that UN observer forces in Namibia, composed of British and Australian troops, were placed in the points agreed on in the Angolan border to protect the SWAPO units being transferred against South African attacks. The relaxing of the military situation in Namibia appears to be evident although Louis Pienaar, South African Administrator General of the transition government, assured that a cease-fire has not been officially declared.

A Namibian radio station announced this morning in several languages spoken by SWAPO units the points of gathering for their transfer to Angola. This operation is expected to take place within 72 hours.

Residents of the capital's Katutura neighborhood announced they will hold an electoral rally in support of the SWAPO.

Politburo Members Attend WFTU Meeting

*FL1104182289 Havana Tele-Rebelde Network
in Spanish 1700 GMT 11 Apr 89*

[Text] The 41st meeting of the World Federation of Trade Unions [WFTU] Bureau opened at this capital's Palace of Conventions today. Jose Ramon Machado Ventura and Jorge Risquet Valdes, members of the Communist Party of Cuba Politburo, were in attendance.

The 150 delegates from 36 countries meeting in the Cuban capital expressed their support for peace and labor and human rights. Another topic included in the agenda was the need for a strong international unity and solidarity movement among labor unions regardless of the social system and the development level of their respective countries.

Ibrahim Zakaria, secretary general of the WFTU, officially opened the 41st meeting.

[Begin Zakaria recording with simultaneous Spanish translation] We can then say that Havana has turned into a dialogue center for all trade union members. We are happy to be here together and show our solidarity spirit. The main task of the bureau's session is to set the guidelines for the preparatory work for the upcoming 12th congress. [end recording]

The welcome remarks were delivered by Pedro Ross, chairman of the commission organizing the 16th CTC [Central Organization of Cuban Trade Unions] congress.

[Begin Ross recording] We must note the fact that this important WFTU Bureau meeting is taking place in a Latin American and Third World country such as Cuba which is resolute in constructing socialism despite the permanent hostility of imperialism. This is another sign of the unyielding and militant solidarity that the WFTU has given to our peoples' revolutionary cause at all times. [end recording]

Representatives of Latin American countries, regional organizations of the area, Latin American Central Organization of Trade Unions, and the Permanent Congress of Latin American Workers are also participating in this 41st WFTU Bureau meeting. Its executive meeting will be held on 13 and 14 April.

The WFTU groups over 24 million members from 82 countries and hopes to strengthen international solidarity ties through this meeting.

Veiga Speaks at Meeting

*FL1104204689 Havana Radio Reloj Network
in Spanish 1932 GMT 11 Apr 89*

[Text] The preparations for the 12th Congress of the World Federation of Trade Unions, which will be held during the second semester of next year, are being discussed in Havana at the 41st meeting of the WFTU Bureau.

Ibrahim Zakaria, secretary general of the WFTU, during his opening speech said that one of the main subjects discussed at the meeting will be the increase of solidarity with the workers' struggles and with the unions of Latin America. Not only does the WFTU defend the rights of workers but it also defends the sovereignty of the peoples, Zakaria said.

Present at the opening session were Communist Party of Cuba [PCC] Central Committee Politburo members: Jose Ramon Machado Ventura and Jorge Risquet, as well as Roberto Veiga, vice president of the WFTU.

Approximately 500 million people are unemployed as a result of one of the worst economic crises that the world is currently going through. This is what is emphasized in the report on increase of international solidarity with the workers' struggles and with Latin American and Caribbean trade unions, which was presented during the 41st session of the WFTU Bureau that is being held in the Palace of Conventions. Roberto Veiga, vice president of the WFTU, said during the presentation of the document that the income per capita today is between 7 and 40 times less than in developed capitalist countries. He said that poverty, poor living conditions, and the lack of medical care and education affects over 1 billion people throughout the world.

The economic crisis translates not only in the impossibility of development but also in the gradual decline of the already low consumption levels in underdeveloped countries. The document on increase of solidarity also emphasizes that every Latin American owes over \$1,000. Roberto Veiga said at the 41st session of the WFTU Bureau that, by the end of last year, the Latin American and Caribbean foreign debt was \$4 billion. Veiga said that this reflects a decrease [as heard] basically because credit sources have been closed and have stopped flowing to heavily indebted countries.

CEMA Civil Aviation Meeting Begins

*FL1104184589 Havana Tele-Rebelde Network
in Spanish 1700 GMT 11 Apr 89*

[Text] The second meeting of experts of CEMA member countries for cooperation in civil aviation will last until Thursday. The event began at Santa Maria del Mar's Atlantico Hotel today. Eleven main topics will be discussed at the civil aviation meeting of socialist countries regarding the future development of aircrafts. Likewise,

the participants of the meeting will make an assessment of the Berlin 88 agreements and will analyze the integral program until the year (?2005).

[Begin recording of speaker identified by illegible caption] The lines of future development will be set here. Cuba's possibilities of expanding its air fleet and, at the same time, guaranteeing a better exploitation of its resources will also be discussed.

The development our country has in the field of civil aviation has only been possible because of the cooperation and aid we have received from CEMA member countries, especially the Soviet Union. Our passenger fleet is entirely Soviet. Regarding our agricultural aviation, we have Soviet and Polish airplanes. The development is aimed at expanding our fleet. [end recording]

Engine Production Group Meets

FL1204012889 Havana Television Service
in Spanish 0000 GMT 12 Apr 89

[Text] CEMA experts today began in Havana City the 29th meeting of the (Interelectro) group which examines the development and problems of engines produced in the socialist community.

The main objectives of the (Interelectro) group are to coordinate the work plans for the 5-year plan of 1991 to 1995, and to analyze the results of scientific-technical cooperation. The participants to the session will also check the agreements of the previous meeting, which was held in the GDR last year. The CEMA has a multilateral agreement on the specialization of electric engines which guarantees the stable supply of a variety of equipment.

The 29th meeting of (Interelectro), group three, will continue its sessions at the Santa Maria Del Mar's Atlantico Hotel until next Saturday [15 April].

Pinar del Rio Province To Meet Sugar Quota

FL1104175689 Havana Radio Rebelde Network
in Spanish 1700 GMT 11 Apr 89

[Text] In a telephone conversation from Pinar del Rio, our reporter (Diosdado Maso) informed us that this afternoon Pinar del Rio Province will fulfill its sugar production plan for the present harvest. And now, some more information related to our primary industry.

[Begin recording] [(Maso)] The most important task for the working class to salute 1 May is the successful completion of the present sugar harvest, said Pedro Ross Leal, president of the organizing commission of the 16th congress of the national CTC.

[Ross] We cannot wait for the rains to come to then organize mobilization to support the harvest. We must organize the workers, have them enrolled, discuss matters with them—the ones in the harvest and the ones in

the work centers. This way, whenever it is necessary, and it is decided to move them in every territory to support the harvest and successfully finish it, it can be done.

The nation does not have the luxury of being able to produce even one ton less than what had been planned. If it is possible to produce even more with the sugarcane that is scheduled to be ground, that would be the best thing, and this is what the nation's provinces are fighting for. [end recording]

First Province To Meet Quota

FL1104212189 Havana Radio Reloj Network
in Spanish 2002 GMT 11 Apr 89

[Text] Pinar del Rio sugar processing plants have met the current harvest quotas and the province has now become the first to do so after a close competition with Villa Clara Province. With a milling level of 81 percent, the Pinar del Rio agricultural plants have demonstrated such efficiency that they will have enough for an extra amount to be added to the national quota.

The sugar workers of Pinar del Rio have been working to make the 1989 sugar harvest the largest the province has had in its sugar production in metric tons.

Additionally, it is also expected for Villa Clara to fulfill its sugar quota tomorrow morning, thus becoming the second province to meet its quota, after Pinar del Rio.

Havana To Host 'Socialist' Press Meeting

FL1104131289 Havana Tele-Rebelde Network
in Spanish 1100 GMT 11 Apr 89

[Text] Beginning tomorrow, 12 April, newspaper directors of socialist countries will hold a meeting at Havana's Palace of Conventions.

The meeting, which will end next Thursday, will permit the leaders of the central organs of socialist states to exchange views.

The delegations from the CSSR, USSR, Poland, Vietnam, Bulgaria, Romania, and DPRK are already in Havana, and within the next few hours, the delegations from the GDR, Hungary, Mongolia, and Laos are expected to arrive. Also invited to the meeting were the directors of Angola's (JORNAL) and Nicaragua's BAR-RICADA.

Raul Castro Sends Congratulations to Magazine

FL1104125689 Havana Radio Progreso Network
in Spanish 1100 GMT 11 Apr 89

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba and FAR [Revolutionary Armed Forces] minister, sent a congratulatory message to the staff of VERDE OLIVO magazine.

Castro's message was conveyed during the main ceremony marking the magazine's 30th anniversary. The ceremony was held at the FAR main building in Havana.

Six of the workers for VERDE OLIVO received the FAR distinguished service award and 11 other workers received diplomas for founding the magazine.

Haiti

Further Reportage on Port-au-Prince Situation

Armed Forces Communiqué

FL1104143189 Port-au-Prince Radio Nationale
in French 2049 GMT 8 Apr 89

[Communiqué issued by the Armed Forces in Port-au-Prince on 8 April—monitored in progress]

[Text] ...communiqué from the Army General Headquarters:

The Haitian Armed Forces' high command informs the Haitian people that the Presidential Guard, loyal to the government of the Republic and enjoying the moral support of other military organizations, is at present occupying the Dessalines Barracks.

All the men who have surrendered will be treated in a dignified way.

By order of Major General Abraham.

[Signed] Andre Jean-Pierre, adjutant general

Information Ministry Communiqué

FL1104145489 Port-au-Prince Radio Nationale
in French 2049 GMT 8 Apr 89

[Press release issued by the Ministry of Information and Coordination in Port-au-Prince on 8 April]

[Text] In following up to the communiqué from the General Headquarters of the Haitian Armed Forces [FADH], the Ministry of Information and Coordination hastens to announce that the soldiers of the Presidential Guard are at present occupying the Dessalines Barracks.

Honor to their courage!

Most of the rebel soldiers have been taken prisoner. Others have fled, leaving behind, on the ground, uniforms, weapons and ammunition.

The first statements taken from the rebel soldiers arrested confirm that the plot was hatched from abroad by Roger Lafontant, (?with the aid of) sectors linked to drug trafficking.

The government thanks the inhabitants of the capital, especially the residents of the neighborhoods in the vicinity of the Dessalines Barracks, for their collaboration.

The government calls on everyone to help it to rapidly restore constitutional order and peace in the streets and within families, since our poor country cannot afford the luxury of such costly disagreements.

[Signed] Ministry of Information and Coordination

[Dated] Port-au-Prince, 8 April 1989

Second Communiqué Issued

FL1104134789 Port-au-Prince Radio Nationale
in French 2049 GMT 8 Apr 89

[Press release issued by the Ministry of Information and Coordination in Port-au-Prince on 8 April]

[Text] The Ministry of Information and Coordination announces to the public that the fratricidal clash that the government of the Republic has been trying to avoid for the past week began last night. In this connection, the government invites the civilian population to remain calm and to continue to trust that the government is seeking a rapid solution to this crisis that threatens the nation's higher interests.

There is no balance sheet of damages available as yet. Nevertheless, the Haitian Red Cross is urgently asked to come to the aid of all those whose condition might require immediate care.

Concerned with avoiding unnecessary loss of life and with reconstituting the unity of the Armed Forces so necessary to safeguard the nation's sovereignty and physical integrity, the government of the Republic once again urges the rebels to lay down their weapons and to choose the path of a negotiated solution to the conflict.

[Signed] Ministry of Information and Coordination

[Dated] 8 April 1989, Port-au-Prince

Red Cross Offers Assistance

FL1104151689 Port-au-Prince Radio Nationale
in French 2049 GMT 8 Apr 89

[Excerpt] The time is 1655, and the Haitian Red Cross addresses an urgent appeal to the population, urging it to avoid the areas of conflict. Furthermore, the Red Cross reminds everyone that it is ready to provide assistance to all wounded persons without distinction, regardless of which side they belonged to, in conforming with the fundamental principles of the international Red Cross movement.

It remains understood that all parties should provide full protection for all Red Cross vehicles, which display the Red Cross' protective emblem clearly. [passage omitted]

Radio Soleil Reports

FL1104155689 Port-au-Prince Radio Soleil Network
in Creole 1546 GMT 9 April 89

[Special news bulletin; monitored in progress]

[Excerpts] ...Dessalines Barracks soldiers. It is after this attack that the palace soldiers decided to attack, and there was much shooting at around 1600. A photojournalist at the scene noticed that a number of soldiers ran out of the Dessalines Barracks. Colonel Guy Francois, who was in command of the Dessalines Barracks, fled to seek protection in the Apostolic Nuncio together with his entire family. The other soldiers surrendered.

While the shooting continued for more than an hour, the soldiers who had been occupying Radio Soleil left the courtyard of the Petit-Seminaire [station premises]. It was almost 1900, and we learned that they were going to the Army General Headquarters to surrender. [passage omitted]

According to a medical source, some 30 soldiers from both sides died during that attack. Fifteen others were reportedly wounded during the day on 8 April. Four civilians were killed by gunfire. The general hospital received some 20 wounded civilians during that same day.

A provisional balance sheet from the beginning of the crisis reportedly shows at least 35 dead among the military, including five Leopards. As for the wounded, according to the figures we have available, there are 19 wounded among the military. According to the first calculations, among civilians there are 5 dead and some 40 wounded.

Regarding the Leopards Corps, we have no precise information yet as to what is presently going on.

The curfew was not respected in several parts of the capital on the night of 8 April, but there was a lot less shooting. This Sunday morning, normal life seems to be returning quickly in the streets of Port-au-Prince, where traffic is heavier than usual for a Sunday. There are many pedestrians and many public transportation vehicles have resumed their activities. Some pharmacies and small grocery stores have also opened. There is a strong military presence on Monsignor Guilloux Street, around the palace, the Dessalines Barracks, and the ministries.

We point out that it was impossible for us to get further details of what happened. Despite an authorization from Major Neptune, we were not able to enter the palace courtyard. The soldiers standing guard exerted heavy pressure on us, with weapons in hand. They made us exit quickly from in front of the entry gate to the palace on Monsignor Guilloux Street.

Also, a group of soldiers from the National Palace, at the request of the director of Radio Soleil, came by the radio station this morning to check to see if any weapons or

ammunition had been left here by the soldiers who occupied the radio station Friday and Saturday, when they abandoned the premises yesterday evening [8 April]. These palace soldiers came by the radio station this morning and searched it, checking to see what might have been left that they could take away with them. They took some uniforms and some ammunition that had been left at the radio station and in the Petit-Seminaire's courtyard.

Also, the Ministry of Information and Coordination announced that General Prosper Avril is going to hold a press conference this afternoon at the National Palace at 1600. All journalists are invited. [passage omitted]

During this crisis, both Haitian and foreign journalists had a great deal of trouble deciding what was true and what was false. Several foreign journalists we encountered told us this was the first time they had ever seen something like this; everything is so unclear! The Holiday Inn Hotel on the Champ de Mars turned into a press center. Many journalists went there in order to follow events. However, not only journalists went to the Holiday Inn. Several heads of political groups were there too.

We remind listeners that the Haitian Bishops Conference [CEH], in a second message issued Saturday at the beginning of the crisis, asked that the parties on the scene stop fighting. The CEH asked both sides to agree to engage in dialogue, and offered to mediate between the two camps. The weapons being fired and the people dying are not going to get us anywhere. This just constitutes a loss for the nation, said the bishops.

But let's go back to the night before last [7 April], with Venel [Soleil journalist].

[Venel] [Passage omitted] The events began Friday night with loud cannon shots and gunfire from weapons of all calibers (?going back and forth between) the palace and the Dessalines Barracks. Many rumors were also circulating. However, contrary to the rumors, the Dessalines Barracks was not hit at all, while according to many sources, the upper part of the palace was slightly hit, nothing serious, (?and) according to a number of reliable sources, all this shooting was sort of a bluff, because it was done with blanks.

However, this was not the case in the streets, because three civilians were hit by real bullets, [word indistinct] among them a policeman in civilian clothing, yesterday morning. We must also say that during all this time, the majority of the civilian population remained extremely neutral, because many people said they did not clearly understand what was really going on between these two army corps, despite the fact that both sides claimed to be defending the Haitian people. [passage omitted]

We remind listeners that, in connection with this matter on which we have already given details—the (?attacks) on radio stations last Thursday—the Haitian Journalists Association [AJH] has reacted. The AJH asked the

people who took radio equipment from these radio stations to return the equipment unconditionally, and the AJH called the attention of both the national and international press and the national and international human rights organizations to the situation of the press in Haiti. We must say that we do not yet have a complete evaluation of all the damages done to these four radio stations: Haiti-Inter, Metropole, Antilles Internationales, and Liberte.

The time is 1155 at Radio Soleil. This is the end of the bulletin. [passage omitted]

Avril Grants News Conference

FL1104144589 Port-au-Prince Radio Nationale
in French 1544 GMT 10 Apr 89

[News conference by President Prosper Avril at the National Palace in Port-au-Prince; monitored in progress—live]

[Text] [Unidentified speaker]...Sit down, gentlemen. [applause]

[Avril] All right. Ladies and gentlemen of the press, good morning. It is with pleasure that I receive you here at the National Palace this morning, so that you can help me inform Haiti and the entire world about the events—the unfortunate events, I would say—that have unfolded in Haiti, that have been going on in Haiti for some 10 days already. I am not going to make an introductory speech, because this is not a time for speeches, but I did want to thank you for being here this morning—because since we have come [to power] here, we have always worked in an open and aboveboard manner. And your presence here this morning is going to allow me to explain to the Haitian people and to the whole world what is going on in the national life, the efforts that we will have to make to lead this country toward democracy, and the (?profound and) [words indistinct] criminal actions that the country has just been through.

Therefore, without further delay, I am going to give you the floor. I am perhaps going to ask you to raise your hands. I will thus be able to point out the person who is to speak. And I am ready to answer your questions. [Avril addresses someone in the audience] You were first.

[Reporter] I am Patrick [last name indistinct] of the Haitian BULLETIN [preceding word in English]. Mr President, you officially implicated the former champions of the government—that is, the Duvalierists—in the coup attempt against your government. You say their goal is to obstruct the process of democratization undertaken by your government. If this turns out to be true, are you planning, Mr President, to take measures against them?

[Avril] In my speech, I did not speak of Duvalierists. I spoke of sectors that object to change. I spoke of certain persons who have been members of the government in the past and who wanted to return.

The process of democratization is very dear to us, and I think that this time, everyone has noticed that I have been saying again and again, for more than 6 months now, that it is not a process that can be easily implanted, from one day to another, as people seem to think. Why do I say this? The thing is, now they have proof. This coup d'etat, conducted with such violence, was attempted just 4 days after appointing the members of the Permanent Electoral Council. This should indicate to all this country's democrats the breadth of the effort that we have to accomplish and the kinds of risks we are taking in order to implant democracy in Haiti.

As for the measures against the Duvalierists of which you speak, it is not up to a government to take measures against a group of men. We have the nation, for which we are currently responsible, to look out for. We will indeed take measures against individuals, not against groups. Now that the country is heading toward a bit more peace, we must consolidate this peace. We must take measures that we will study to see how to—within the option of democracy that we have chosen, that we have established here, within the lines of that option—resolve problems without having to deal severely with anyone at all.

I will pick a foreigner, and after the foreigner, it will be that gentleman's turn.

[Reporter] [Name indistinct] from the newspaper LE MONDE. I would like to know, based on precise facts, what has been happening for the past 2 days. First of all, how many victims are there are? Second, what has become of the members of the Dessalines Barracks who have not been arrested or killed? Third, what is the situation in regard to the Leopards Corps? Please.

[Avril] You spoke of the unfolding of....

[Reporter, interrupting] Of the events unfolding (?these last 2 days) and of the number of victims.

[Avril] All right. You speak of the events unfolding over the last 2 days. I will have to go back a bit farther.

You all know that on the night of 1 April, there was a coup d'etat perpetrated against this government. The first thing done, the first act committed during this coup d'etat was that the president of the military government was arrested—at his residence, in his bedroom, using the same methods of operation that used to be employed in the past. The past methods with which you are all familiar were used against the president of the military government—the man standing in front of you right now, his wife, his children, his 88-year-old mother-in-law, and even two guests who were at the house.

Taken to the Leopards' camp as prisoners, we were evacuated from the camp at around 0600 or 0630 because the soldiers of the Presidential Guard refused to accept this decision. The Presidential Guard soldiers had taken to the streets. The tanks were out looking for General Avril.

Thrown into a panic, our jailers were taken in hand by the prisoner—me. I took over the command of the vehicle that was taking me to the airport. The Leopards who were acting as my jailers had surrendered their weapons to me. I was being taken in another vehicle. The officer who had carried out the order was driving and I was sitting at his side. I let a Leopard who couldn't stand it any more, who had become frightened, out of the vehicle along the way. I arrived here and was, as you can well understand, (reacclaimed by) the troops, who fired into the air to welcome me. That is how I got taken back to the National Palace.

After arriving at the palace, as you can also well understand, there were demands for vengeance against the officers who had done this, who had arrested a chief of state in his own home. Some people wanted to execute them. However, this is not the way we see things. We forbade that they be executed straight off.

However, I can say once again, that it was God who was guiding me in making these decisions. I was to learn 3 hours later that my son had been kept hostage at the Leopards Corps headquarters, as had my interior minister, Colonel Saint-Louis, his two children, and the two foreigners who were at my house. Thus, maybe if I had given in to the pressure to execute these men, my child too would have died, and the other people as well.

However, as soon as I learned of this problem, I entered into negotiations with the Leopards Corps. I sent an armored vehicle out to the Leopards camp with Colonel Claude, whom I brought back. He had been carrying out an order, and well, OK, I sent him out to the Leopards camp. He was supposed to negotiate the release of my son, the interior minister, his two children, and the foreigners with the Leopards troops.

We were able to, through negotiations and the help of the commander of the rebel Leopards Corps, Colonel Rebus.... [changes thought] Well, we negotiated things until we managed to get all the hostages released and, finally, achieved the departure of the officers directly implicated, of, let us say, the brains of this affair.

Among the officers participating in the plot and arrested by the Presidential Guard was—also—Colonel Guy Francois. (?That's how far I went) in working to maintain the unity of the Haitian Armed Forces [FADH].

I called in Guy Francois, who was under the control of the troops. I sent him to take control of the Dessalines Barracks. He had sworn allegiance to me. He had sworn to me that he would serve as a gentleman and an officer, and once he arrived at the Dessalines Barracks we kept up a certain amount of contact. However, there was no sincerity whatsoever in his statements. (?By) Monday or Tuesday, let us say, we were negotiating the submission of the troops, talking about how the troops were, what the others were saying, and how the men felt.

By Thursday, I was able to attempt a kind of reconciliation between the enlisted men of the Presidential Guard and those of the Dessalines Barracks across the gate that separates these two units. Everything seemed to be going very well, and even coming to a successful conclusion. However, at the last minute there was one person, maybe two, who did not accept this reconciliation. Thus, Thursday afternoon, after the visit to the Dessalines Barracks by interim commander in chief of the Armed Forces, General Abraham, and the chief of staff, General Lacrete—who were accompanied by the officer in charge of the training of the Armed Forces, the Armed Forces' G-3, Colonel Laurenceau—well, when they got back, it looked as if there was nothing more that could be done. The command did not want to place itself within the line of the military hierarchy.

I made a last attempt at a reconciliation, with the aid of a preacher, a man of the church. The answer was that it was too late.

However, we of the Presidential Guard are aware of our force, which we have never wanted to use against our brothers.

Friday morning I again made one last attempt at reconciliation through a diplomatic authority. It was too late. Nothing could work.

So then, Friday evening, I asked the Presidential Guard to call upon the Dessalines Barracks to surrender.

At around 1830 or 1900, two armored vehicles had crossed over and were entering the yard of the Dessalines Barracks. And since these units are equipped with a public system [preceding two words in English], with loudspeakers, they asked the Dessalines Barracks troops over the loudspeakers.... [changes thought] We know that it is simply not possible for troops such as those of the Dessalines Barracks to rebel against the authority of the government. The Dessalines Barracks cannot possibly, as a bloc, be part of this affair.

So, this was in order to encourage those who, like us, did not want a clash, to retire. However, far from retiring, they hit our two units with antitank shells. The two vehicles were damaged, an officer wounded, and an enlisted man killed. At that point, we began the attack.

However, it must be noted.... [changes thought] There are people who say that it was all a joke. Yes, they can go ahead and think it was a joke, because we ourselves have never wanted to create those cadavers that people want to exploit! The Presidential Guard was given precise instructions not to fire at shoulder-level, to try as much as possible to frighten rather than to kill. We do not want to kill 800 of our brothers! [Avril's voice breaks, continues in harsh voice] We have the force with which to do it, but we don't want to!

Meanwhile, certain radio stations were saying that we were using blanks. They did not agree with this. They wanted us to kill them, these soldiers of the nation!

Well, the soldiers proved themselves magnanimous. They obeyed the watchword, despite the dead bodies around them, and the warning shots went on all night. Yes, we did fire artillery volleys without shells. Yes, we did. We did it to frighten them. We fired blanks at them. Yes we did indeed, because we did not want to kill them. We have fragmentation shells too. And we have [words indistinct] too! But we will not use them against our brothers!

And so, we spent the night trying—still—to save the lives of our brothers. In the morning, the soldiers were still out there, in the yard, maintaining their defensive position—to prevent the inevitable from happening, because if they themselves had attacked, the soldiers would have been obliged to really use live bullets. And during the course of the day, when we began getting hit with mortar shells fired by the Dessalines Barracks, again there, we tried to maintain our serenity. But when we lost three soldiers there, had three soldiers killed in front of the guardhouse, well, at that moment, the troops decided to attack. And they attacked. And the Dessalines Barracks were taken. Only then!

It wasn't that we didn't have the force necessary to do it immediately. We wanted to save the lives of our 800 men who were there.

So there you have the story of the taking of the Dessalines Barracks. Now the Presidential Guard is occupying that building, and the nation has lost a professional and well-trained battalion.

There you have the consequences of the actions of our politicians—of our political wire-pullers, who want only destruction for this nation that our ancestors have left us!

So, the balance sheet of the dead and wounded: 6 dead, 5 military and 1 civilian; 75 wounded, 43 military and 32 civilians. And there was also, and this is still part of the same consequences, the death of another one of our soldiers last night in Cite Soleil as a result of a grenade that did not explode that was lying in the middle of the street. So, there is still that danger too—shells that did not explode, shells fired by the Dessalines Barracks. And, during the real attack by the soldiers from the National Palace, after the death of the three soldiers in front of the guardhouse, when the palace soldiers attacked the Dessalines Barracks.... [changes thought] Live shells were fired then, but fired at a higher-than-shoulder level. And these shells, if they failed to explode, can still constitute a danger—shells we are looking for all over the place.

There is the balance sheet of the dead and wounded (?for) the representative of LE MONDE.

The fate of the Dessalines Barracks? We are talking about a unit which has, in principle, disappeared. The Dessalines Barracks are occupied by the enlisted men of the Presidential Guard.

However, a communique from the Army General Headquarters has already invited all the enlisted men and officers of the Dessalines Barracks to report to the Army General Headquarters. The FADH high command will study how they can use these men—how to use those who still wish to, and are capable of, working to maintain the integrity of this territory that we have sworn to defend.

Regarding the Leopards, still within this same line that we have chosen, we did not, as was expected immediately after the Dessalines Barracks, attack them. We did not take the tanks, the armored vehicles that remain, (?and) the artillery we have, to the Leopards' camp and sow terror and destruction. No, it's true, we did not do this. We have returned to dialogue. We are not conquerors. There were no winners in this battle—no conquerors or conquered. The only loser is Haiti.

Fortunately, yesterday the command at the Leopards camp seems to have acquired some substance. The assistant, [rephrases] Major Jonas, who is the corps' second highest-ranking officer, has been ordered to assume command temporarily. He has managed to assemble the men. The platoon commanders have once again assumed their commands. The troops are supposed to now be under military command. Out of some 414 men, 12 have not yet returned to the base.

Thus, this is a problem that the FADH high command is still studying and studying again. We do not want to say that the problem has been entirely solved, but I do think that it is being solved.

[Reporter, in Creole] [Words indistinct] well-informed source, these civilians, why were they arrested? And how many have been arrested?

[Avril] You know that when there is a coup d'etat there is always a liason (?for) the people implicated. Now, the Department of Police of Port-au-Prince, which has been receiving complaints (?about) certain people's participation in what has just happened in our country, is making some arrests, is summoning certain people to the Police Department. All this is within the framework of investigating what was behind this affair, so that decisions regarding the future of our country can be made. We want to implant democracy in Haiti. We don't want any more 29 November [date of the massacre that led to the aborting of the 1987 Haitian elections] in Haiti.

Now it is a matter of taking measures so as to be sure that we can move forward. Every time we say it is a long process, people think we want to remain in power. We don't want to remain in power. However, we do want to do something definitive for our country. And if we ourselves, who are members of the Armed Forces, found ourselves in a position of having to suffer this kind of mistreatment, I just don't see how a civilian can do this

job. I just can't see it! People who think a civilian can do it are thinking only of their own personal interests, because a civilian is perhaps much easier to handle. If I—who have these troops, who have proved their loyalty to me—have been put through what I have just been put through, just imagine what could happen to a civilian!

And I did not have to put myself in this position! All I had to do was to behave in a normal fashion—normal as in the past—just stay there, in power, and designate that you are to appoint X as president. And the trick would be played. I wouldn't have had all these public protests against me and everything would go very well. But no. I want national public opinion to choose a president for the future—not any little group, regardless of whether or not it is strong due to weapons, or strong due to violence. That is the job I want to accomplish.

[Avril addresses someone in the audience] Just a moment, Duquela, because that man over there raised his hand first. Duquela will come next. You. No, no. Not you. The man in the second row.

[LeFort] I am Jean Claude Lefort, of Overseas French Radio and Television, the RFO. Mr President, how are you going to reestablish peace, after what can be described as the tearing asunder of the Haitian Army? Have you had public opinion polled with a view to finding out how popular the government you head is? And, finally, you speak of implanting democracy in Haiti. This implies elections. Have you a date to propose?

[Avril] Please repeat the second point. What were the polls for?

[LeFort] [Response indistinct]

[Avril] How to reestablish peace in this country after this ordeal, the tearing asunder of our military institution.

I like this question a lot, because it permits me to appeal to... [brief break in transmission] those who lead public opinion, to let them know that this work of implanting peace does not fall exclusively on either the military government or, with greater reason, on the president of the military government. It will be a matter for the Haitian people and especially for the Haitian press particularly, and I say particularly because the press has all the (?leverage with which) to talk to and educate the population, with which to work toward the implantation of this peace. In my opinion, this is the only way that peace can be reestablished.

Regarding popularity polls, I will never take any popularity polls. I am not a political leader [preceding word in English]. I could perhaps see what people think of the action I take as the head of the government, but I am not interested in seeking popularity. That is not my goal. Popularity is a matter for the political sectors, and I would perhaps like the different political sectors to work their way into the population, to go out among the population so that the behavior of this people can be managed. The behavior of this people must be administered. There must be management of the behavior of the population. And such management can be realized only

by responsible political leaders. It is not a matter, for political leaders, of staying in Port-au-Prince and making speeches over television or radio. They must implant themselves in the farthest corners of our rural areas, must work with the population, must educate the population on how to behave.

But as for our going to the population to claim a certain amount of popularity, well, this is not our goal. I think that this is our line.

Democracy? Yes, we do want to implant democracy. But I notice that you link the setting of a date for elections to the implanting of democracy or to the desire to implant democracy, as a precondition. I think that if I were to tell you that I was going to hold elections on such-and-such a date, the Haitian people would say that I am not serious.

How can I do this? Up to the present, I still cannot tell you what tomorrow will be like! And you ask me when there will be elections! Elections entail many things, you know! Elections entail security. Election entails voluntary participation in the elections—without constraints. How, now that the government has come under this attack precisely because it tried to hold elections... [rephrases] How do you think I can say that the Haitian people want elections now? When the government is hit for trying to hold elections, how will the population be hit, now? We must work to create the necessary climate. The faster I get help from the political sectors and the national press, the faster the work will go. I am going to pick a foreigner, now. I am going to pick a foreigner.

[(Meek)] Mr President, this is George (Meek) of the Voice of America. May I ask two questions in English? And could you perhaps answer me in English, please?

[Avril, in English] Yes. Go ahead.

[(Meek), in English] Thank you.

[Avril] Um-hum.

[(Meek), in English] My French is terrible and I don't want to embarrass myself, here. Uh, can you say where Colonel Guy Francois is now, and will he be allowed to leave the country? And secondly, how much longer will the partial curfew be in effect?

[Avril, in French] OK, regarding the case....[Avril speaks to someone aside] What? Huh? He asked about the Guy Francois case [words indistinct]. [Avril continues in English] According to the Guy Francois' case, I have, [corrects himself] I don't have the official report yet, but I have reports that he got some, uh, that he got asylum at a diplomatic mission. And I think there is, [corrects himself] there are some, uh, regulations inside the Armed Forces, who have to treat the case. I have to wait for the report of my minister of foreign affairs, and also of the report, [rephrases] global report of the high command of the Armed Forces to know exactly what decision will be taken in this matter.

Oh, the curfew! Yesterday, when I noticed that we had some, uh, some, uh, improvement in the situation, I moved the curfew from seven to nine in the evening, and

from five instead of six in the morning. So this is an improvement. But, as soon as the problem is solved, maybe in 1, 2, or 3 days, the curfew will be over.

[Avril, in French] You will be next. OK. Go ahead, Mr [name indistinct].

[Reporter] Mr President, unfortunately part of the Haitian radio press is not present this morning. The government put out a communique stating that according to the preliminary investigations, the four radio stations sabotaged by armed individuals Thursday evening—Radio Haiti [-Inter], Radio Metropole, Radio Antilles Internationales, and Radio Liberte—were sabotaged by rebel soldiers. This official version seems to be in contradiction with certain testimony collected to the effect that it was done by some of your partisans. You yourself told the U.S. ambassador that you thought it was a bad idea and that you had never issued such an order. Do you think that in the heat of the action some of your partisans might have acted on their own initiative? Or do you confirm the official version? And, in general, how do you intend to remedy this important problem? It is obvious that Haitian public opinion is lacking information.

[Avril] Well, I have received that report on the, uh, sabotage of certain radio stations in the capital. As soon as I got the report, I conducted an investigation among my troops, among the Presidential Guard, and the commander reported to me that no soldiers had left the National Palace. At a moment like that, a decision like that would have had to come from the president of the Republic. The president did not make such a decision. Thus, I personally called one of the station directors who had been affected, the director of a station that has a very big audience, to express my regrets to him personally and to let him know that neither the president nor the government wanted to do in the press or impose on it any restrictions other than those asked for in the official communique issued. And then I continued my investigation. All the reports I received indicate that it was not done by elements close to me.

However, I admit that there was a situation of great confusion. I cannot affirm with 100 percent certainty that such a thing could not have happened. But in that case.... [changes thought] I must tell you that freedom of the press is one of the aspects that we hold extremely dear. Thus, freedom of the press will be guaranteed and respected as long as I am here.

And what I can tell you is that [words indistinct] there are two aspects to the matter: the moral aspect and the practical, or material, aspect. Regarding the moral aspect, as president of the military government, I did not order this. If, given the state of confusion in Haiti these last few days, this happened, I apologize to the press for it. We did not intend, it is not our political will, to impale the press on a bayonet or to impose restrictions on it in any way whatsoever.

Regarding the material aspect of the matter, the government is also willing—to the extent that it is able to and to the extent that the parties concerned will accept it—to repair the damages. This is all I can tell you, in the name of democracy [words indistinct].

[Reporter] Mr President, in your speech Sunday, you identified the sleeping partners, so to speak, operating from abroad. Did you get this information from those carrying out the coup, who were interrogated here in Haiti—that is, those who were captured, the three colonels? Or did you get that information long before this coup was attempted?

[Avril] Well, I am going to see how much of these state secrets, about which you are asking, I can tell you. OK, quite a while before, we.... [changes thought] You must surely have an idea of how a government works. We got reports. We knew well before the coup that there would be a coup attempt. Yes, we took measures to try to stop things. Thus you saw some people discharged from the Army less than a week before the coup—maybe even the same week as the coup, on Tuesday, and the coup took place on Saturday.

We received reports of certain meetings that took place abroad in which political figures of the former regime and officers of our Armed Forces participated. We knew about this. But of course there was perhaps one [word indistinct] that we didn't know, which came up at the last minute and which caused the coup to succeed. That is why the coup had, I would say, succeeded. The coup was successful. It was the Presidential Guard that saved the day. I mean, the plotters had committed one mistake. The mistake lay in that the Presidential Guard is a clean institution which effected 17 September, not so it could come and reap the benefits of being in power, but in order to to try to save this country.

When the president takes measures in keeping with what the Presidential Guard asked for last 17 September—that is, to create a new image for the Armed Forces, fix it so that the members of the Armed Forces can walk about with heads held high, eliminate drug trafficking from within the Armed Forces, and eliminate bad habits such as commanders who demand that public companies pay them to provide the security for which the Haitian people have already paid—that is the difference. The Presidential Guard does not participate in these things. The Presidential Guard knew that it is precisely because their president was waging this struggle that he was hit. That is the truth of the matter.

[Reporter] [Question indistinct]

[Avril] Wait, hold on, wait. I'm picking that one back there, with the beard. No. The beard. Yes. Oh! I must look over here too. I will come over here in a minute.

[(Darius)] I am John (Darius) of the (?A.A. Company) in Orlando. As the press here in Haiti says, I am here as a representative of the diaspora. I have heard the president call on the diaspora to help a number of times. I would like to know how the diaspora can help the government. I would also like to call the attention of the Haitian press and general public to the fact that, as the head of the

military government said, it is almost a miracle.... [(Darius) changes thought] He said, correctly, that God helped him, because had it not been for divine intervention, he would not be here, and no one knows what the fate of Haiti would be at present.

[Avril] You mention the overseas Haitians, the Haitians who live abroad. You know that since I got here, I have done everything I can to integrate the Haitians living abroad into the nation's business in general. How can they help? We have created, by decree, a Commissionership for Overseas Haitians. This is an institution that is going to be in charge of establishing the norms for intervention by overseas Haitians in the political and economic reality of the nation. Thus, soon, Haitians living abroad will formally get the procedures to be followed, to be applied, with a view to being able to participate in their country's affairs.

The other aspect of your question, [rephrases] you spoke of the miracle. Well, we agree. Indeed, as I said, it is a miracle, because anything at all could have happened. And as I said at the beginning of my Sunday night message, it was God who saved the nation. I do not claim to be the only person who can steer the ship of state. However, in a clash.... [changes thought] If what was going to happen last Saturday were to occur again, I think it would (?be disastrous for) the nation.

[Avril addresses someone in the audience] No, I am going to pick one from this side first. Over in that direction. I will pick a foreigner first, and you can be next.

[Treaster, in English] I'm Joe Treaster from THE NEW YORK TIMES. I'm speaking in English, obviously. Can you tell me how many soldiers of the Dessalines Battalion were killed in the fighting Friday night and Saturday? And can you also tell me what remains to be resolved regarding the Leopard unit?

[Avril] How many were killed? Fate reserved. Dessalines Battalion?

[Treaster, in English] We can clarify. We have an interpreter. Do you understand the question?

[Avril, in English] Yes. You may clarify for me, yes.

[Interpreter] Could you tell us how many soldiers....

[Avril, interrupting] I understand that.

[Interpreter, in English to Treaster] What's that? Dessalines Battalion? Um-hum.

[Avril] How many soldiers dead? The problem, actually, is that I can't hear with the microphone. If he talks without a microphone I will be able to hear him.

[Interpreter] OK. What remains to be resolved, uh, in regard to the Leopards business?

[Avril] I have already answered that question.

[Interpreter in English to Treaster] He said he already answered that question.

[Treaster, in English] It's not clear what remains to be resolved.

[Interpreter] How many prisoners....

[Avril, interrupting, in English] You're talking about the Dessalines Battalion?

[Treaster, in English] The first question is: How many people were killed in the Dessalines Battalion?

[Avril, in English] How many people were killed in the Dessalines Battalion?

[Treaster, in English] Yes.

[Avril, in English] The first question.... [Avril is interrupted by speaker in background] Hum? Huh? Um-hum. I have already given the balance. We have five, [corrects himself] six dead, but only one, I think one, is in the battalion. But in my opinion I did not want to separate people from Dessalines Battalion or people from Presidential Guard. I consider them for, [rephrases] all of them are the same for me. They are members of the Armed Forces of Haiti, and I am sad at the same level for all of them. I don't want to separate them.

[Treaster, in English] Total dead, then, among the military, is six?

[Avril, in English] What?

[Treaster, in English] Total dead then, among the military is six? Is that correct? You had six dead military?

[Avril, in English] Six. Six.

[Treaster, in English] Six. Is that correct?

[Avril, in English] The total was six.

[Treaster, in English] Six dead.

[Avril, in English] And one last night. That will be seven, total. One last night by accident at Cite Soleil, but....

[Treaster, interrupting, in English] How many, how many civilians dead?

[Avril, in English] But during affrontement [preceding word in French], it was six.

[Treaster, in English] Number of civilians dead?

[Avril, in English] Number what? The civilians? One, one dead.

[Treaster, in English] OK, and the second question, then, is about the Leopards. What is happening with that unit today? And what is the state of the rebellion?

[Avril, in English] About the Leopards?

[Treaster, in English] Yes, Sir.

[Avril, in English] Yes. I had answered that question. But anyway, I will tell you, at the Leopards' camp there is a very big improvement, because now the headquarters of the Armed Forces had resumed the legal authority there. They have named the second high-ranking officer to be acting commanding officer at the camp by interim. And he has control of the men. This morning everybody was on formation under the command of Major Jonas, with all the platoon commanders in charge of their platoons, and receiving orders from the high command of the Armed Forces. That's a very big improvement, because all the members, all the enlisted men, were completely spread out—and now they accept the authority of the officer in charge. And I've said, also, that over the effective [preceding word in French] troops of the battalion, which was 414 members [corrects himself] I mean 414 enlisted men, only 12 of them have not joined the battalion. And we are in contact, through the general headquarters, to continue to talk with them, because our goal is not to send the tanks and our more than 1,000 men against the Leopards, which are inside the institution. We want to solve the problem without using the force of the battalion of the Presidential Guard. Does that answer your question?

[Treaster, in English] Yes.

[Avril] You will come later. That man over there. OK? You will be next, after him.

[Sanon] Mr President, I am Camille Sanon for LE CHRONIQUEUR. [Sanon switches to Creole] Ok, after all the answers you have given here....

[Avril, interrupting, in Creole] It's the microphone that's no good.

[Sanon, in Creole] According to all the answers you have given here, the fact is that the Dessalines Battalion, which has more than 800 men, is no longer occupying the Dessalines Barracks. This means that they are scattered all over the country. OK. Also, according to statements by the government....

[Avril, interrupting] Listen—hey, listen—ask questions. And if you ask questions, you may not infer my answers. OK? [Avril switches to Creole] So, go ahead. You are speaking Creole. Go ahead and ask your questions, but don't put words in my mouth. Ask directly whatever it is that you want to ask. This, that, or whatever. But you can't say such-and-such so that I can utter the word yes so that you can later say that this is what I answered, OK?

[Sanon, in Creole] OK, thank you very much. All right. What kind of fate have you reserved....

[Avril, interrupting, in Creole] Ask your question directly.

[Sanon] That is the question, directly. What fate have you reserved for those soldiers, since it is a number of politicians....

[Avril, interrupting] Don't say since! What fate have I reserved for those soldiers? Is that what you want to know?

[Sanon] Yes.

[Avril] The Dessalines Barracks soldiers?

[Sanon] Yes, yes.

[Avril] OK. You have finished asking the question. Now I'll answer it. I said there are 800 men there. They are soldiers, enlisted men. I did everything I could to, despite the fact that we were obliged to occupy the Dessalines Barracks, to remove the tension hovering over the country and among our soldiers here, who didn't know when the other side might attack them in the middle of the night.

Well, in order to accomplish this, we took action. We occupied the other side [the Dessalines Barracks], while I issued instructions that the soldiers do everything possible to occupy the Dessalines Barracks without killing people. We have strategies with which to do these things. Know what I mean?

OK. Now, the troops.... [changes thought] We managed to.... [changes thought] They really did leave the barracks. Many people think the 800 people died. No. They did not die. Just one or two of them died. And we didn't even mean to kill those.

So, what are we going to do with them now? Well, we put out a notice asking them to report to the Army General Headquarters and leave their names and addresses, so that when things cool down the General Headquarters

can call them in, so that we can see how we are going to employ.... [changes thought] After an investigation to be conducted by the General Headquarters, in conformity with Army regulations, the Army is going to see how it can use them, see which can be recovered and which cannot. You understand?

We are not going to take 800 heads of household and throw them out into the streets without a job. We have not been doing this since we came to power, and we will not change now.

You will notice that, [rephrases] you know that.... [changes thought] Judging by how old you look, I suppose you remember the Duvalier times, right? Way back? You can imagine, I guess, that if a president were sitting at home and there was a failed coup d'etat like that, and the perpetrators were in his hands, do you think the perpetrators would be allowed to live? Can you imagine that the families of the perpetrators would have been left alone, like now? Credit where credit is due, gentlemen. As the Bible says: Give Caesar his due.

We are making an effort. Everyone must recognize that it is an effort. A long time ago, not only would you have already heard a lot of shooting, but you would also have heard that many innocent people had died in the affair. Whereas I can say that as for us, up to the present, our hands are clean [preceding word in English]. We ourselves have never yet killed anyone. And we won't kill anyone either. If someone dies, he dies. He will not have been killed by us. OK. Let's have someone from over there now. It was he. You can be next.

[Unidentified reporter, in Creole] During all the incidents that occur, we see that the foreign press, the foreign journalists, are provided with better protection than we Haitians. The foreign journalists are always well treated. I don't know why—whether it is just that we are (?destined to be) humiliated (?on our very soil) or if it is because we are not trained journalists—but, in fact, many of us are trained journalists.

Second, you said that you had asked the president of the Dominican Republic to deport Dr Roger Lafontant from the Dominican Republic, and that the Dominican Government had said it was waiting for a country to accept him. This morning over Radio Soleil, according to the vice president of the Dominican Republic, the Dominican Government said that you never made such a request.

Next, following the news conference, since we have never been able to evaluate the damages, could we be allowed to enter the Dessalines Barracks so we can examine the damages, since we are journalists? Thank you.

[Avril, in Creole] OK, the first question is on the security that you think we provide for foreign journalists and not for Haitian journalists. If this really does happen, I don't know about it. Thus, I cannot address that question. And

also, if it were to be true, I would find it very strange—for foreign journalists to be given protection and not Haitian journalists. So I cannot answer this question in depth because I don't know anything about it. In any case, since you tell me this is the case, I am going to try to look into this to see if it is true that this is being done, and if it turns out to be true, I will remedy the situation.

Regarding the case of Roger Lafontant, you know that (?according) to all our police reports, he is (?at the basis of) this recent coup d'etat. We know that... [brief break in transmission] that he failed to respect the reason for his visa, which was recreation. He used the visa to hold political meetings in Miami, and the U.S. Government canceled the visa. It annulled his visa. This already constitutes proof.

It was not we who asked the U.S. Government to cancel his visa. It was an evaluation by the U.S. police that led the U.S. Government to feel it had to do this. It was a visa issued him sometime around 20 March, more or less, in Santo Domingo, and then the U.S. Government annulled his visa. The order to annul his visa was given sometime around 30 March. Thus, this means that the United States had time to see that he was using the visa wrongly, and as for how he used it improperly, well, it wasn't that he committed burglaries there or anything like that. It isn't that he went and violated ordinary criminal laws. We ourselves know why this was done.

In any case, he is at present in the Dominican Republic, and he was ready to cross the border.

We have not yet, [rephrases] we did not make a formal request for this, but in diplomacy, there is a way to do it, to tell friends. It would be better if you could put him a little farther away from us. This has not yet been done, but we are going to do it.

The Dominicans are our friends. They share the island with us. We need stability, and we know.... [changes thought] I don't know if the people would have voted for him for president, but I myself know that it would have been bad for us for him to come here right now. So, it would be better for us if he were a little farther away from us.

What other question? Regarding the visit to the Dessalines Barracks that you asked for.... [changes thought] I wonder if you are asking so you can see if it is true that the soldiers are not there. Well, I suppose you can look from afar and see that I couldn't be lying about that, saying that 800 men are not there and that it is we who are there. However, I must tell you that it would not be prudent for us to allow you to visit the Dessalines Barracks just now. Why? Because some of the grenades did not go off, and some of the shells also failed to explode. Therefore, I am not going to risk one of the country's journalists, nor an international journalist,

going somewhere where we have not yet finished mopping up the area, effecting a kind of technical investigation that the Haitian Army has to conduct.

I had [rephrases] the one I had and then I'll come to you. Yes, after him, you're next. [Remarks by reporter speaking from a distance, indistinct] Huh? He has already asked a question?

[Unidentified reporter] [Words indistinct] the number of the dead in the events of Friday evening and Sunday, you said....

[Avril, interrupting] You have already asked that question.

[Reporter] ...five soldiers and one civilian killed, but you later told Mr Treaster that there were seven dead. Could you clarify this please, Mr President?

[Avril] No, no. No, no. No, no. I maintain the figure of six, but I am telling you that there was an accident last night that brings the total to seven. During the battle, the actual fighting, the number is six. However, one man died last night. A grenade was found in Cite Soleil, and he tried to move it and it exploded. You had not yet asked a question? No? One hour. Time is up? No, I am going to ask Valescot [Tele-Haiti journalist] to conclude. You will conclude.

[Unidentified reporter, in English with interpreter translating into French] Was Claude Raymond arrested in the last few days? My second question is: Will the Dessalines Battalion be dissolved?

[Avril, in French] I see, OK. All right, I understand. I have understood your question. Should I answer him in English?

Regarding individuals or prominent figures who have been either apprehended, called in, or summoned by the police in connection with this matter, I do not yet have any precise reports on this. Thus, I am not going to tell you whether this or that person has or has not been arrested, because I do not want to meddle politically in police investigations. [Avril switches to English] You understand what I've said? OK. According to General Claude Raymond, you want to know if he has been arrested? [sentence as heard] My answer is that as far as police inquiry is concerned, I am not going to get into the procedure to interfere and to know if this person or that person has been arrested or called at the police station. This is why I cannot tell you if the man concerned is arrested or called at the police. I don't know. [Avril answers indistinct question] No, I don't have the report yet. I am a chief of state. I cannot be, you know, on the question every minute. I have to wait for the report of the person involved in the inquiry. OK.

[Avril switches to Creole, addressing unidentified person] Dessalines. What else did he ask about the Dessalines?

[Avril switches to French] The condition of the barracks? The corps? [Avril switches to English] I've already said that all the members have been called by the high command of the Armed Forces. They're taking their names, and the high command is studying the case to know exactly what solution they're going to propose to

the government. You don't have to forget that this is a military question. This is not a political question. When this happens to a country, only the high command can make a decision, not the chief of state.

[Avril switches to French] I think this is the last question. You have already asked a question, haven't you? Huh? Ah, excuse me. This is the first woman to ask a question. Madame?

[(Princeton), in French] I am (Julia Princeton) of THE WASHINGTON POST, from the United States. Have you made a complete count of the weapons yet? Do you think you might have lost some weapons in the streets during the crisis events?

[Avril, in English] Can you hear the answer in French?

[(Princeton)] Yes, [words indistinct].

[Avril, switching to French] OK. Regarding the weapons, we are aware of the fact that there are many weapons scattered throughout the capital. We have been out looking for them. We have also been called by families that have weapons at home, and every time the phone rings to say come to such-and-such an address, we send out soldiers to recover the weapons.

We have found weapons at different university schools, in yards, in the streets, and even at certain radio stations. We have been finding weapons all over the place. So, we take them back. We are collecting them and checking them. We can't tell you yet how many we are going to lose.

I think that is the last question. How many hours have we been here? It's over now, right? The last one. Go ahead.

[Fritz Valescot of Tele-Haiti, in Creole] General Avril, Since you are a citizen with a moral responsibility toward the nation, how can you explain...[brief interruption in transmission], and at the same, do the military regulations empower you, authorize you, to expel such members of the Armed Forces, with cases against them, instead of court-martialing them?

[Avril, in Creole] I don't remember the first question very well—the first question, the first part of the question. Hold on. Hold it. The second question is: Do the regulations, [rephrases] do the press and the civilian society end up paying? Why is it, in periods of crisis, that the press and the civilian society are left holding the bag?

Well, I don't see how the press and the civilian society have ended up holding the bag recently. I myself thought it was the Army that had suffered most, yet you have just informed me that it is the press and the civilian society that have lost out. That is an evaluation of the situation that really surprises me!

[Valescot, in Creole] [Passage indistinct] I say to you [words indistinct] responsible for a country, how can you....

[Avril, interrupting, in Creole] I don't hear him well. I hear him better without that.

[Valescot, in Creole] ...in periods of crisis, that the civilian society is always the victim, as is the press? As a responsible, moral figure, how can you explain this? And, at the same time, [words indistinct] military, why were they expelled? Do the military regulations authorize you....

[Avril, interrupting, in Creole] Yes, I understood that part. All right. Regarding the first question, you don't think (?there is) a relation between the disintegration of the Haitian Armed Forces that is going on and the civilian society? There I can tell you that it is practically impossible for there not to be any relation.

Why impossible? Because when you have an institution whose job is to protect the civilian society.... [changes thought] The Army as an institution should not play a role detrimental to the civilians. The minute the members of the Armed Forces fail to do their jobs, the civilian society is presumably already threatened. As soon as the military doesn't do something it is supposed to do, the civilian society is under threat. So now, just imagine when it wants to express something!

When they go and ransack stores and such, why do they do it? In order to establish a system of violence in the country, so that they can achieve their ends.

However, you must not say that it is the civilian society that is threatened. The civilian society is supposed to be protected by the military, and it is this military that are spoiling things. The threat is not only (?to the civilian society), but also to myself—because it causes me to fail in my mission. My mission is to protect you. And a branch of me who is here to protect you goes out and hurts you. It isn't just you who are hurting, there. I too am hurting—because my mission is not being accomplished. So that is how I would like you to view this problem.

As for the radio stations, I told you—and this in this same context. In order to deal the government a blow, they might very well ransack a radio station. But when they do, they are not doing it to hurt the radio any more than they are doing it to hurt the government. They need to hurt the government more than they need to hurt the radio station. Ever since I got here, I've been saying: Freedom of the press.

I might say freedom of the press because this is my conviction. However, this might get in certain people's way, and there are also people who know how important the press is to me. [Brief break in transmission] ...press thinks I sent out to hit them, they know I am on the decline, before public opinion. So there you have it.

Thus, when people say that it is the civilian society and the press that suffer from this, again, it is I who suffers when the civilian society suffers.

And that is why, if you had heard that evening, the many, many shells fired, you would have heard of many people dying. That is why you didn't hear about people dying.

I have my artillery commander, Ulysse Francois, here. I don't see him. Where is he? Ulysse Francois. Isn't Colonel Francois here? [answer indistinct] He's downstairs?

When this thing happened, my Artillery Corps commander said: Well, the way things are here, in order to really scare them we would have to shake the barracks, using two 105-mm guns, but when I called him in, he said: Ah, Mr President, but the civilian population! What can we, [rephrases] do you think we could manage to calculate things so the shell will not fall anywhere it could do us damage?

We went looking for a particular angle, so that the shell would hit the barracks to create fear and end up in the sea. Can you see to what point we had scruples?

There he is! That colonel there. [Avril switches to French] Colonel Ulysse Francois, over there! He is the commanding officer of the Artillery Corps.

We must tell you that we are aware of the force we have. [Avril switches to Creole] It is a monster that we have on our hands, here in the Presidential Guard. The civilian society will suffer from it if we don't know how to use it. [Avril switches to French] When we were told that there was a mortar at the Petit Seminaire Saint-Martial [Catholic school which houses, among other things, Radio Soleil], regardless of what the mortar did to us, we would never have attacked it there. That is how responsible the chief of state is.

So, shells are raining down on us. But they had put their battery of mortars in the Rue des Pucelles. We knew they were on the Rue des Pucelles, between Rue des Pucelles and Rue des Cesars. We knew it. So, how long does it take? We too know how to calculate. We too are technicians. We (?prepared) our program, (?established) our basic (?aiming post), said degree this, that, and the other, and fire! However, it wasn't Rue des Pucelles—not the battery—that was going to get hit by the shells. We would not have done it as they did.

In order to fire shells, they (?would shoot off) a first shell which went too far, another which fell short, and finally the third one hit the target. But where was the first, too-long, shot going to hit? They didn't know, but they fired it off anyway. And how about the one that landed short? They didn't know, but they fired it off anyway. It was the third shell that landed in the palace yard and killed my soldier.

However, we (?wouldn't) do that to them. That is where the difference is. We didn't do it, although we could have. We have our 4.2-mm mortars. We have all kinds of things. But we didn't do it. We went around solving the problem little by little, until we managed to solve it with the least possible loss of human life.

And yet there are people who are not happy that we did it this way. They trumpet over the radio that the whole thing was a farce, that we were firing blanks, (?exploding) powder. Yes, we really did do this—because we did not want to kill our brothers or our civilian population.

So now they are (?criticizing me) because I did this? Tough. I will always do it that way. I will never change because we want to protect the civilian population. There is the commander, there! Every time I would say to him: Well, the way things are looking, I guess we will have to strike a blow. [Aside, to commander] How many shells did we fire? Two?

We shot off only two and took many precautions to see to it that it frightened them. We needed for it to touch the barracks so that it would shake the building, so that they would be frightened and flee and then land in the sea. See all the calculating of degrees and angles we had to do?

If we had not kept cool heads, if we had not been responsible, gentlemen, all we would have had to do was point the.... [changes thought] Have you ever seen cannon fire? All we would have to do to cut the barracks in two would be to aim it at the barracks. [pause]

I will take a question from Anaise. Then from you, Madame, and then (?we will stop).

Oh! There is one last aspect of the question that I did not answer. Yes. Now. The second thing: Do the regulations allow us to expel the men instead of court-martialing them, right?

First of all, don't forget that we decreed a state of emergency. Second, don't forget that there was an old lady, 88 years old; a 13-year-old child; and two other children, Colonel Saint-Louis' children—an 11-year-old and a 14-year-old, up there! Do you think I was going to nitpick about the regulations in connection with saving these children's lives? (?I would have been willing to do more to those guys than merely deport them), fella, in order to save those kids' lives. The thing is, I don't kill people, and there are many ways to kill people. You can, for example, merely keep your mouth shut and thereby kill people. For example, when they asked to be allowed to execute them, all I had to do was say nothing and they would have been executed. But I said: No, don't do it.

That, then, is why I chose that solution. I chose to send them out of the country in exchange for the lives of two 14-year-olds, one 10-year-old—I mean 12-year-old. Huh? OK, an 11-year-old and an 88-year-old lady. OK? And, of course, an Army colonel. OK? Plus a foreigner—American, to boot—which could have given rise to all kinds of situations! An American woman, who was at my house, was also arrested and another gentleman, who has cancer and had electronic machines, feeding machines [preceding two words in English]—I don't

know what they call them, machines used to feed him things because he is undergoing radiation treatment—and despite this, they took this man hostage.

In order to save the lives of all these people, I had to make the decision I made. That's why I made that decision and that was the decision I had to make. I would make the same decision over again, if I had to.

I am glad I did it because now my kid is with his mother and Colonel Saint-Louis' kids are with their mother, alive. The American woman has left the country. So now I'm not going to have a government on my back telling me that their nationals have just been killed and that I have to account for it. The other guy, the sick one, has (?gone for) his treatment. My 88-year-old lady is back home taking her little medication for her eyes—for she has glaucoma and doesn't see well. Now she is taking her medication again. I suppose it's better this way. Thus, I don't really care about this business of whether two or three guys should have been executed or not!

[Chavenet] Anaise Chavenet, RTNH.

[Avril] Uh-uh.

[Chavenet] Mr President, I have two questions that are rather....

[Avril, interrupting] (?Get ready). You are the last person to ask a question. Ask him what he is going to say. Perhaps you can ask his question for him?

[Chavenet] Mr President, I have two questions that are sort of personal, but I think that it will interest the nation and the world to know what you [words indistinct]. People have been fearing for a long time in Haiti, that there might be a repetition of a 25 May 1957. People have the feeling that what has happened these past few days has surpassed the horror of 25 May 1957. How do you feel, knowing that such a clash between brothers-in-arms has occurred while you are commander in chief of the Haitian Armed Forces?

The second question is: You have escaped a coup d'etat. You have had to tame a military rebellion. Are you still the same man?

[Avril] [Words indistinct] Anaise [words indistinct]. OK, well, in the past, we had the sad 25 May affair, where brothers-in-arms, in the heated political climate that existed back then.... [changes thought] On 25 May 1957, I had perhaps just finished my Philo class [the final class of secondary school in the Haitian system]. Yes. I was in Philosophy class at the time. So I remember the period very well.

In the heated political life of that period, brothers-in-arms had to choose candidates, and this clash occurred in which three officers, I think, died. A lieutenant named (Ennery Wolf) and some enlisted men died. Today, once again, political passions have been able to intrude into the Army. We have again had a clash, this clash that took place Friday night and Saturday.

I have the impression that you have been able to gauge the feeling this gives me from my narration of the events, because it is not often that I have found myself unable to control my (?physical) reactions. However, I can say that it behooves everyone to know that it is the task and the duty of not only the FADH to maintain unity within the FADH!

Ever since I came to the palace, I have been fighting to prevent what happened from happening. It could have been avoided if I had had the help I should normally be getting from everyone who has access to a speaker's rostrum [une chaire] from which to state a problem and propose solutions to the problem. After all, we are in a very special situation, where the nation—after 30 years of dictatorship—wants to turn its face toward democracy.

Who is it that must work to implant this democracy? Precisely those who lived through those 30 years of dictatorship! Thus, what is the scope of the work to be done?

We must work to change the mentality of those who lived under this dictatorship, in order to render them capable of applying (?democracy), of living in a democratic and liberal society.

What are we seeing? That the efforts that we are making to get this transformation started—and perhaps succeed in realizing it—are not understood. Thus, the feeling I have is that after this business of a coup d'etat, there is going to be a certain dawning of awareness in order to allow us never to fall into such a thing again.

We have acted in a manner so as to have the Army not be as torn asunder as it was following 25 May. Why? Because after 25 May there were many more FADH units involved in the affair, and the disintegration was even worse at the level of the members of the military institutions, military agencies, military departments. Today, fortunately, the thing was limited to two corps. This will allow us to take measures to further strengthen unity, especially since those who prevented the success of this movement are those who are (?following) the correct line, who are not involved with disorder or operations that used to be called marginal in the past. Thus, up to now, we still harbor the hope that we can redress the situation and set the nation on the road to democracy.

As to whether or not I have remained the same man, yes, I have. Just yesterday, I was talking on the phone with a foreign journalist who had called me and who said to me: Since you are a winner now, how are you going to behave here in the National Palace? I told him that I am not any kind of victor. There are no winners or losers here. We are at a crossroads where something that should not have happened nevertheless did happen. We are happy to have been able to save the nation from the abyss but we

are not any kind of victor here. Thus, nothing intrinsic to us has changed. There is no change. We remain ourselves and it will always be this way. We are not going to change.

I remember that question (?that Valescot) asked one day. Madame, yours will be the last question.

[Unidentified reporter] [Question indistinct]
[Avril] [Aside, to someone in Creole] Should I tell her in English? Huh? [Avril switches to French] I think.... [changes thought] Is there someone who can translate for her? I think that we have gotten over the worst. I think that.... [Aside, to someone else] Tell her. [Avril switches to English and addresses someone else] You are translating for her? OK.

[Avril switches to French] I think that we have gotten over the worst. I believe that we have taken care of the situation. However, we are realists through our tact and our savoir-faire. We are not going to tell you that we have finished completely, not until I myself have personally looked into the matter myself and seen that the troops are obeying their commanders and accept the hierarchical authority of the FADH high command correctly.

All right. To conclude, I must thank everyone, all of you, for having responded to our invitation and for having permitted us to explain to everyone who would like to have an explanation.

[Avril switches to Creole] I will take this opportunity to say to the Haitian people that they must continue to trust us because it is their welfare that we are looking out for.

Before all these journalists here, both national and international, I reiterate that we will respect journalists.

When there is confusion and something happens to a journalist, they must not just automatically attribute it to us. They would do better to rush here and tell us about it because we are defending the same cause as they are. We are counting on them to help us defend this cause.

So, the people have only the newscasts in which to say what they feel. We have no problems with the newscasts, the radios, saying what the people feel. However, I continue to ask them to help us, because they also know full well that sometimes a journalist can turn the country topsy-turvy by putting something out (?over the air). If they feel they simply cannot wait a little before putting it out—and I don't think that this interferes with journalistic ethics in any way—at least they could tell us: Here's what we have heard. Is it true? Is it not true? Or: Is it prudent for us to air this? Because sometimes a report can set off a war.

You all know this. You know a report can trigger a war or a slaughter. You know full well, for example, that there are matters—for example, let's say someone is being sought, and some radio comes and says: There's the person, at such and such a place! You have actually told everyone to go and kill. Thus, you know that news is something that can be sensitive.

When we ask (?that people be a little careful with a certain piece of news), it isn't that we want to suppress it. It's just that a particular situation exists and we would like to be able to control the situation, for the very good of the journalists themselves. Thus we (?might), in collaboration, ask them to do us a little favor.

However, we must say to the Haitian people that when rumors are circulated to the effect that we are doing something to journalists, it will not be the government doing it. You must trust us, because we know there is no democracy without freedom of the press. And if we want to establish a democracy, we must do so with the press.

Thus, the problem is clear. There is nothing at all under the surface. I said it publicly. I was told I was a conquering hero. Well, the conquering hero's first gesture was to apologize to the press for what happened. We are not into playing conquering hero. We came here to do a job, to implant democracy here in Haiti. And we are not saying that we are going to implant democracy here. We are going to implant an irreversible democracy! That means that it should be, once we've finished doing it, like that of the great countries—so that things will never go back to the same old thing, so that when the president goes home to bed, people won't come and point guns at him, tell him to get up and assemble everyone in his household, and put him on a plane and ship him away. That's not what we want.

What we want is, once we have done this, for the Haitian people to be behind the person, and to have the Army business all sorted out properly, so that no one will come and threaten or do anything to a president anymore.

Thus it is this way, in these terms, that we will conclude this news conference. I say to everyone: Thank you.

And I say to the Haitian people, whom I assume are listening to me, thank you, and we are going to continue the work of consolidating the peace that we have, while at the same time, continue the work of strengthening and restructuring our Army, so that it will be capable of keeping the nation on the track of democracy once we have finished implanting this democracy. Thank you.

French Refuse Entry to Lafontant

*FL1104225089 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 11 Apr 89*

[Text] The French Embassy in Port-au-Prince granted asylum last Saturday night [8 April] to 18 Dessalines Barracks soldiers during the attack by the Presidential Guard. According to an embassy spokesman, the soldiers jumped over the embassy wall.

The French Embassy is very near both the Dessalines Barracks and the National Palace.

The soldiers appeared to be very shocked, and some of them were even crying. The French were obliged to allow them to spend the night in the embassy for humanitarian reasons, said the embassy spokesman.

Sunday morning, these 18 soldiers went to Army General Headquarters to surrender.

Also, the spokesman confirmed that France has refused to receive on its territory Mr Roger Lafontant, a former minister of Duvalier currently living in the Dominican Republic, who according to the Haitian Government is the head of the rebel movement among the military.

General Prosper Avril's military government made this request, not a written request, to Paris through the French Embassy here in Port-au-Prince, apparently after receiving the promise from the Dominican authorities to deport Roger Lafontant from the Dominican Republic if some other country agreed to take him.

Government Communiques on Press

*FL1104190589 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 10 Apr 89*

[Excerpts] In a communique signed by Minister of Interior and National Defense Colonel Acedius Saint-Louis and Information and Coordination Minister Anthony Virgine Saint-Pierre, the Haitian Government thanks the radio stations and the press in general for their cooperation on the occasion of the recent events in the country, and hastens to announce that the 5 April 1989 decree asking the media to air only information signed or authorized by the military government has now been rescinded.

The government seizes this opportunity to invite all the media to report the news objectively so as to inform the population, for only news that has been verified, is well-balanced, and is reported responsibly can help establish a rule of law in Haiti.

A second communique, signed by Information and Coordination Minister Anthony Virgine Saint-Pierre, states that his ministry extends its sympathies to all the owners and personnel of the radio stations that fell victim to acts of sabotage during the sad events in Haiti last week. The first results of an investigation that has been conducted indicate that these acts of sabotage were the work of rebel soldiers, who spared Radio Soleil, where they left military uniforms, helmets, and empty ammunition clips, which the forces of order recovered yesterday morning.

The Ministry of Information reiterates the government's great desire to pursue the democratic process, (?by) setting up a number of structures that will bring hope for the future. The press remains one of the indispensable structures, and the government will collaborate fully with the press.

We are going to point out six [as received] important things for Radio Soleil listeners and public opinion in general: [passage omitted]

Secondly, we inform public opinion that it was not only Radio Soleil that escaped the 6 April hurricane that struck the radio stations. Radio Lumiere, Radio Cacique, Radio Caraibes, Radio Arc-en-Ciel, Radio Plus, and Radio Superstar were also spared.

Third, the sabotaging of the radio stations did not occur on the same day that the Dessalines Barracks soldiers occupied Radio Soleil. The radio stations were sabotaged on 6 April, and Soleil was occupied on 7 April.

Fourth, we explain for public opinion that on 7 April, when the Dessalines Barracks soldiers occupied Radio Soleil's premises and demanded, weapons in hand, that the radio broadcast a message for them, the administration told them that if they insisted on their message being broadcast over the radio, all the news had to be allowed to be broadcast too. And that is what happened.

Also, on that same day, Radio Soleil's administration informed the highest radio authorities and all its listeners that it was occupied.

Lastly, Radio Soleil calls public opinion's attention to the fact that one day after the occupation ended, after the Dessalines Barracks soldiers heard the Army General Headquarters communique on 9 April 1989, Soleil's administration itself called the Army General Headquarters twice to ask them to send someone to inspect the radio's premises and the Petit-Seminaire Saint-Martial courtyard, after the soldiers departed. The first time Soleil called, the military told the administration they were giving it permission to search alone. The administration refused. After a second call, soldiers came 2 hours later. They collected a few helmets, shirts, and leftover ammunition that had been left there by the Dessalines Barracks soldiers.

Radio Soleil explains these things in a spirit of reestablishing the truth.

Radio Soleil Broken Into

*FL1104183189 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 10 Apr 89*

[Excerpts] An act of brigandage was committed last night [9 April] inside Radio Soleil. On the 5th night of the curfew, the Ministry of Interior issued a communique reducing the curfew to between 2100 and 0500. On that same 5th night of the curfew, Sunday night, last night, three armed individuals broke into Radio Soleil, after exerting pressure on the people who sleep inside the radio station.

They broke down the office door and no one knows what they came to do inside the radio station. Let's listen to the people who were present during this act of brigandage, who explain to us what happened.

[Begin recording] [Passage omitted] [Unidentified speaker] Well, last night, while I was lying down, I heard someone say: "Open the door for me right now. If you don't open it I will kill you right now." [passage omitted]

[Reporter] What were they wearing?

[Speaker] Civilian clothing.

[Reporter] What time did this happen?

[Speaker] Close to midnight, 1130 or so.

[Reporter] And what happened next?

[Speaker] Then they told me to open the little gate downstairs, so I rushed to open it. Then they told me to run. They said that if I didn't go right away, they would execute me. So I ran away, down into the seminary courtyard. They themselves went up to the radio. [passage omitted]

[Reporter] So, they broke down the door and went in, but you don't know what they did inside the office?

[Speaker] Yes, that's right. [passage omitted]

[Reporter] In what direction did they go?

[Speaker] To where the priests (?hold services). [passage omitted] They seem to have come over the wall from Lamarre Street, because the big gate in front is closed, and they can't get over it.

[Reporter] Fine, thank you. [end recording]

Politicians, Merchants Arrested

FL1104192589 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 10 Apr 89

[Excerpt] According to diverse reports that we have not yet been able to verify, arrests began yesterday, Sunday, in certain merchant and special political circles. [passage omitted]

Leopards Wait Government Decision

FL1104191689 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 11 Apr 89

[Excerpt] According to certain journalists who were able to get close to the Leopard camp, the Leopards showed that they were not preparing to fight but were awaiting the government's decision. According to reports, two majors are commanding the troops, while Colonel Lionel Claude is still being held prisoner inside the camp.

These same sources say that a number of Dessalines Barracks troops have taken refuge inside the Leopard camp. [passage omitted]

School Stoned in Gonaives

FL1104194089 Port-au-Prince Radio Nationale
in Creole 1300 GMT 11 Apr 89

[Report from Gonaives correspondent Bredy Delva]

[Excerpt] At around 0600 yesterday morning the population of Gonaives awakened to find tires burning at several crossroads in Gonaives. Why? That is the question everyone was asking.

According to rumors circulating the night before, there was going to be a demonstration headed by the Drum of Truth of the Young People of Gonaives [Tambour Verite Jen Gonaives] against the president of the military government, Lieutenant General Prosper Avril. Despite all this, all activities were resumed without problems yesterday, Monday [10 April], in Gonaives.

However, at around 0900, according to the teacher at [name indistinct] School, which is a public school, a group of unidentified persons forced those in charge of this school to send the students home by throwing rocks at the school building, despite the fact that there were members of the forces of order at the school to provide security.

However, military patrols from the Toussaint Louverture Barracks had prevented any demonstration from starting up in suspicious places. [passage omitted]

El Salvador

ARENA 'Sources' Disclose New Cabinet Names

PA1104130289 San Salvador EL DIARIO DE HOY
in Spanish 10 Apr 89 pp 10, 23

[Text] Professionals and businessmen who have distinguished themselves with their civic, scientific, and labor contributions for the benefit of the country are included in the new government cabinet, according to highly responsible sources close to the Nationalist Republican Alliance [ARENA].

According to our sources, the list was submitted on 3 April during a regular meeting of ARENA's National Executive Council with President-elect Alfredo Cristiani, winner of the 19 March election.

The sources, who asked to remain anonymous, said the appointments are tentative, subject to confirmation by the elected government and the appointees.

The partial list revealed to EL DIARIO DE HOY includes:

Vice President-elect Francisco Merino Lopez—interior minister

Jaime Roberto Vilanova—deputy interior minister

Roberto Llach Hill—Presidency minister

Emilio Ponce—defense minister

Mirna Lievano—planning minister

Roberto Ortiz Avalos—economy minister

Rafael Ruiz—health minister

Armando Arias Rivera—justice minister

Felipe Francisco Umana—deputy justice minister

Luis Alonso Padilla—labor minister

Abelardo Torres—treasury minister

Armando Chacon—deputy treasury minister

Roberto Siman—public works minister

Antonio Cabrales—agriculture minister

Jaime Alvarez Gotay—deputy agriculture minister

Roberto Orellana Milla—Central Bank president

Saul Suster—Mortgage Bank president

Salvador Nelson Garcia National Telecommunications Administration—

president

Luis Andreu—Autonomous Executive Port Commission

president

Rene Fortin Magana would become chief justice of the Supreme Court of Justice, because a new chief justice has to be appointed this year and Fortin Magana is the strongest of the candidates.

The sources added that the new government and ARENA have made this preliminary selection with the desire to appoint responsible and capable men to wage the titanic struggle of national reactivation.

Although ARENA has said no names should be considered certain until Cristiani announces them officially on 1 June, the sources said this list is certain. However, they did not dismiss the possibility of changes in the next few months.

It was reported that in some cases, the president-elect will ask representative unions of each sector to propose names of distinguished personalities in the respective fields and then he would appoint the best prepared and respected professionals.

Cabinet Names 1 June

PA1104150889 Panama City ACAN in Spanish
2207 GMT 10 Apr 89

[Text] San Salvador, 10 Apr (ACAN - EFE)—Nationalist Republican Alliance (ARENA) leaders announced today that Salvadoran President-elect Alfredo Cristiani will release the names of his cabinet members on 1 June, the day on which he will assume the Salvadoran Presidency. ARENA was the winning party at the 19 March presidential elections.

Armando Calderon Sol and Colonel Sigifredo Ochoa, separately, minimized the validity of a list of possible cabinet members that appeared in a local newspaper today, according to which Col Rene Emilio Ponce, current chairman of the Joint Chiefs of Staff, appears as the new defense minister.

San Salvador Mayor Calderon Sol said the new cabinet will be composed of "capable people, professionals and experts who will face the country's serious crisis." He asserted that the members of Cristiani's cabinet "have not yet been chosen."

Col Ochoa, Legislative Assembly vice president and deputy, said the new cabinet members "will be chosen" by Cristiani "in due time."

Cristiani, who defeated the Christian Democratic Party in the 19 March elections, obtaining 53 percent of the votes, left for the United States on 6 April to meet with several U.S. officials.

The sources said Cristiani will release the names of his cabinet members on 1 June when he will be inaugurated as the new Salvadoran president, replacing Christian Democrat Jose Napoleon Duarte.

Ochoa, a hardliner military man who resigned his Army commission to participate in politics, told the press the United States must continue helping El Salvador, especially to revitalize the economy of this country that has been at war for the last 9 years.

Col Ochoa, who supports a "friendly" relationship with the United States and not one of "submission," said the United States should provide "economic aid for El Salvador and not aid for the war."

Over the last 8 years, the United States has given over \$3 billion in military and economic aid to El Salvador, the largest amount given to any Latin American country.

Roldan, Ungo Discuss Cristiani Trip, FMLN
PA1104140889 San Salvador Radio Cadena Sonora
in Spanish 1700 GMT 10 Apr 89

[Interview with Mario Reni Roldan and Guillermo Ungo of the Democratic Convergence by unidentified reporter; place and date not given—recorded]

[Excerpt] [Passage omitted] [Reporter] Dr Roldan, what is your opinion of President-elect Cristiani's trip to the United States? Dr Ungo, during your recent tour, did you meet with the Farabundo Marti National Liberation Front [FMLN]?

[Roldan] Regarding the president-elect's trip, I believe it would have been a lovely gesture on his part to visit with the Central American presidents as a means of establishing rapprochement and showing his respect; we Salvadorans and Central Americans owe this to one another.

[Words indistinct] to have participated in a colloquium, an exchange of Central American ideas, interests, and ideals instead of going to the White House. This would have been (?logical), a means of rapprochement, and a suitable diplomatic effort for a president-elect. His response to Bush's summons has hurt us deeply and has led to criticisms that are our right and duty to express. Where is Colonel Ochoa Perez' nationalism? Where is that silly (?optimism) he has maintained throughout these years, the optimism there will be no low-intensity war now, etcetera. I am under the impression—although I would not dare to say this is what happened—the people are deeply affected anytime a president-elect is summoned and he answers promptly, as someone said on television today, to receive instructions. If this were not the case, [words indistinct] would not believe this. The Salvadorans and Central Americans are unable to respect one another. This is my opinion. It is critical because politics are based on appearances. The Nationalist Republican Alliance [ARENA] won by appearance. Reality is another thing. It appears as if things will change for the people's benefit. If it appears as if the president-elect received an urgent call from President Bush, it is not our fault. It is ARENA's fault that it cannot even begin to work without compromising the Salvadorans' conscience and dignity.

[Reporter] Dr Ungo?

[Ungo] First, because of the nature of my participation in the elections, I was able to meet with the Venezuelan and Ecuadoran presidents. Also present in Quito was the FMLN's Commander Nidia Diaz—who, while not a member of the general command, is a high-level FMLN leader—and I spoke with her.

Our points of view and positions coincided on many issues, [words indistinct] on the verge of presenting this offer or proposal that was recently published. I commented that [words indistinct] I held a meeting with the Ecuadoran Foreign Minister Diego Cordobez in London, when he was representing the UN secretary general as mediator in the Afghanistan conflict. This was an opportunity. [Words indistinct] I am under the impression another question is coming.

[Reporter] [Words indistinct] surprises are expected, because you are the FMLN's political arm. It is logical that you exchange impressions with them. I imagine you have a few more things to say?

[Ungo] No, not really. The conversation was unofficial. I believe we should hold a meeting, a conversation, an exchange of opinions in the future, because [words indistinct] with the Revolutionary Democratic Front and the FMLN to see what our perspectives are. [Words indistinct] the possibility of a political solution. That proposal [words indistinct]. We should consider the possibility of a dialogue. This meeting was exploratory; it established positions; we discussed our different approaches, because election day was approaching [words indistinct] Roldan, which was a secondary contradiction. It was not a serious or strategic mistake but a tactical one, (?which will go down in history and will be interpreted in a variety of ways), but it is too early to decide how we will find points on which to agree or for each sector to say how a political solution will be achieved.

Villalobos Comments on FMLN Proposal, ARENA
PA1204030989 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 11 Apr 89

[Report on "excerpts" of interview with Commander Joaquin Villalobos, Farabundo Marti National Liberation Front General Command member, by Spanish International Network; date and place not given—passages within quotation marks recorded]

[Text] [Announcer] The first question the Spanish International Network [SIN] reporter asked Commander Villalobos dealt with the proposal presented by the Farabundo Marti National Liberation Front, FMLN, to the Nationalist Republican Alliance [ARENA]. Villalobos replied:

[Villalobos] "First, we had to [word indistinct] six conditions [word indistinct] and without having assumed the government, ARENA is already ruling the country. A significant increase in repression was registered even before the 19 March elections—some 25—30 days before election day—when ARENA's election triumph was practically clear. Dozens of people were arrested; dozens disappeared. People were killed every day, and now their bodies are appearing in various places. Some

of those dead people are [words indistinct] clashes in San Salvador as a reprisal. To sow terror, grenades were thrown at civilians who were simply walking down the street.

"Now there are threats of massive dismissals in the various ministries and reports of setbacks in the various social changes the previous government had introduced—which somehow benefitted society—and media intimidation with the murder of three reporters and applying permanent pressure on them.

"In that way, the right-wing groups and the Army's most repressive cadres grew bolder. In view of that situation, there is no possibility of a dialogue right now. ARENA wants to clear the negotiation tables by all means. It would be [words indistinct].

"ARENA must first create conditions, and it is not [words indistinct] in power, but [word indistinct] authority as Duarte and the Christian Democratic Party [PDC]. ARENA can [word indistinct] without authority if it can be avoided [words indistinct].

"Duarte said that [passage indistinct] has power in its hands. The PDC government is a historic accident right now in El Salvador. [Word indistinct] there and before 1 June, and ARENA is already practically leading the government with the [words indistinct].

"As I said before, [word indistinct] has two options. In other words, if they take over the defense of their lack of legitimacy [words indistinct] election result [passage indistinct] possibilities for any proposal.

"Therefore, they—less than any other government, less than any previous government—can say they already defeated the FMLN militarily. That is [word indistinct], illogical, and indisputable. How can they govern the country if [words indistinct] the FMLN to give up? [Word indistinct] for peace and to talk [words indistinct].

"We presented a proposal on 24 January in which we presented an alternative for the 19 March elections. The general idea of that proposal [passage indistinct] Duarte's government.

"For us right now, that is a [word indistinct] government. We do believe it can become a transitional government toward peace. This government must accept our proposal and call for new elections. [Words indistinct] our proposal, [words indistinct] to implement it on 15 September, and it was rejected. They were determined to hold those elections, and we believe a large part of our population did not participate in them. Therefore, the election results are illegitimate. We must solve the war problem in El Salvador through democracy and elections. If ARENA is a truly majority party, it would not have any [words indistinct]. It would have the opportunity to reaffirm its power."

[Announcer] Let us continue with this important interview granted by Commander Joaquin Villalobos to SIN. The second question was related to the contra demobilization. The SIN reporter asked: Could the FMLN also be demobilized?

[Villalobos] "I believe there is an error of linkage in that statement. The link here is between the Salvadoran counterinsurgency plan and the contra movement, not between us and the contra movement. We are not an imported force.

"Now that there are talks about a verification commission, we could invite that commission to visit our camps on the San Salvador Volcano area near San Salvador, in areas near Santa Ana City, and areas very, very distant from the border with Honduras and Nicaragua. That commission would determine whether it is possible to demobilize the Salvadoran guerrilla movement without a negotiated solution. We believe people could link the defeat of the contra movement with the defeat of the counterinsurgency plan in El Salvador. Both of them are being buried simultaneously. The PDC's election defeat in El Salvador is equivalent to the contras' defeat at Sapoa."

[Announcer] Another of the questions asked by the SIN reporter referred to the possibility of the United States implementing its counterinsurgency plan during the ARENA administration. Commander Villalobos replied in the following manner:

[Villalobos] "I believe ARENA is a bad partner for the United States—a very bad partner. It will make the United States look like a fool. All things indicating that Cristiani's government, Cristiani's future government—supposedly future government, since it is already ruling the country while the PDC falls apart.... [Villalobos changes thought] What Cristiani's government has been doing before officially assuming power is thinking of ways to justify the release from jail of [ARENA leader] Roberto D'Aubuisson's friends. They are the only death squad members in jail, not because of the murders they committed, but because they dared touch Salvadoran private capital and businessmen.

"I therefore believe ARENA would be a very bad partner for the United States, and it will create many problems for U.S. policy. I do not really think [word indistinct] implement a counterinsurgency plan. Duarte could not have had a better opportunity, and yet the PDC blew it. The PDC did not know how to take advantage of that opportunity. The PDC failed to build a true democracy."

[Announcer] Another of the questions was the following: Is the United States a friend or an enemy? Commander Villalobos answered:

[Villalobos] "I believe if we talk about [passage indistinct] perhaps the problem of the administration is [words indistinct]. We are not enemies of the United

States. I have said before that we have [words indistinct] cultural [word indistinct]. We have many things in common—many similarities. We recognize the United States is a powerful country that has great influence on our hemisphere. I am not saying we cannot have conflicts with the United States. Our problem with the United States is its policy. If its policy is [words indistinct]. We have been enemies of the policy of the previous U.S. Administration, and we do not know what the new U.S. Administration will do. If it is a pragmatic, realistic administration and if it gives negotiations a chance, then we will understand each other. It is not a matter of being friends or enemies. We are dealing with a political issue."

FMLN Reports on Late March, Early April Clashes
PA1104181189

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 5 April carries approximately 25 minutes of reports on clashes between the Farabundo Marti National Liberation Front, FMLN, guerrillas and the Salvadoran Army.

The first report says that at 1630 on 3 April, a guerrilla unit clashed with the 1st Infantry Brigade's Long-Range Reconnaissance Patrol in Santa Ines Canton, San Jose Jurisdiction, Cuscatlan Department. Venceremos reports that in this clash, "we inflicted four casualties on the enemy." Also on 3 April, at 1500, Bracamonte Battalion soldiers walked into a minefield at Marisol Farm, Quezatealtepeque Jurisdiction, La Libertad Department.

The station then reports an attack against a Civil Defense Garrison located in the Costa Rica neighborhood, south of San Salvador: "In this attack we inflicted five casualties on the Civil Defense and destroyed the garrison." Moreover, urban commandos reportedly sabotaged three factories located near the 22-km marker, one of which is said to be owned by President-elect Alfredo Cristiani.

The station announces that FMLN fighters inflicted two casualties on Ilobasco policemen on 4 April. In addition, it reports that Military Detachment No 5 troops walked into a minefield in (Casas Nuevas) Canton, Suchitoto, sustaining two casualties. At 0400 on 3 April, Soriano Battalion soldiers sustained six casualties in clashes taking place in the Loma de Ramos village, Guazapa Jurisdiction, San Salvador Department.

Reporting on attacks against Bellosa Battalion's 5th Company soldiers in Guazapa, Venceremos states that on 3 April, the FMLN began a military operation in Platanares Canton, near the Santa Rita Farm. The FMLN claims to have continued its attack against these troops at The El Barillo farm on the next day. At 0900 on 3 April, the rebels report that they clashed with another Bellosa Battalion company that arrived to provide support to the Army soldiers near the Platanares School, Los Caceres village. At noon on that day, a clash was

reported with another Army company that arrived to provide support to the soldiers involved in the fighting near (Los Herrera) village, Palo Grande Canton. As a result of operations against the Bellosa Battalion, the FMLN claims to have inflicted a total of 13 casualties on Army troops.

The station continues to air military reports on actions that have taken place "throughout the national territory," adding that at 1900 on 2 April, "our forces engaged a Cacahuatique Battalion unit in El Rodeo Canton, inflicting two casualties on the enemy." The station goes on to report that on 27 March, FMLN forces attacked a Civil Defense post at Los Planes, Quesaltepeque Jurisdiction, La Libertad Department, inflicting a total of five casualties. On 29 March, FMLN units reportedly attacked "enemy positions" at El Picacho, San Salvador volcano, with RPG's.

Continuing its reports, the station adds that on 30 March, FMLN units fought with Bracamonte Battalion troops at El Socorro farm, Nejapa Jurisdiction, San Salvador Department. It reports that another clash with the same troops took place within hours at the San Carlos farm. The station claims that three casualties were inflicted on Army troops during these two clashes.

The station then reports sabotage actions against seven main electrical powerlines between El Guacate Canton, Metapan Jurisdiction, Santa Ana Department, and on the outskirts of the town of San Vicente, which left both areas without power.

The station then carries a report on an ambush carried out at 1115 on 3 April, in the Santa Elena village, Texistepeque Jurisdiction, Santa Ana Department, when the FMLN placed mines along the route of the 2d Infantry Brigade troops. When their military truck drove along the road between Metapan and Santa Ana, the mines reportedly resulted in "at least" 10 casualties. The report adds that following the ensuing clash, the Army's A-37 and A-2 airplanes and a helicopter arrived, but, by that time, "our comrades had left," while the planes "ridiculously kept overflying the Metapan area."

The last report covers activity in San Vicente. The station reports that FMLN units entered San Vicente from the south, through the Concepcion neighborhood, disseminated propaganda, and carried out sabotage activities.

Trade Unionists on ARENA Election Victory
AU1204093589 Vienna WIENER ZEITUNG in German
12 Apr 89 p 3

["H.E." report: "Boycott Won the Elections"]

[Text] The election victory of the extremist ARENA party under Alfredo Cristiani in El Salvador and its consequences were the topic of a discussion organized by the Renner Institute in Vienna on Monday evening [10 April].

Sergio Chavez and Jose Chevez, leading members of UNTS (National Unity of Salvadoran Workers), the umbrella organization of the Salvadoran trade unions, and sympathizers of the leftist Farabundo Marti National Liberation Front (FMLN), first pointed out the problematic nature of the elections themselves: They were abused by the "oligarchy" and the military as an instrument of legitimation and were boycotted by the guerrillas in order to demonstrate its roots in the people. The last census—normally an indispensable precondition for regular elections—took place 20 years ago. The voters were intimidated and irregularities took place because of missing electoral registers. Foreign journalists frequently suspected election fraud.

Even though 500,000 of the 950,000 votes went to ARENA, one has to consider the guerrillas the actual "winners" in view of the 1.4 million abstentions, Chavez and Chevez said. Despite the propagandist superiority of the rightist parties in the mostly illiterate El Salvador, the guerrillas' call for a general strike and boycott were followed. On election day not a single public means of transport worked and at times 80 percent of the country was without electricity.

The two politicians noted that the attempt of the United States to establish a "model democracy" with the help of the elected Christian Democratic President Jose Napoleon Duarte can be considered a failure. Despite the most generous aid in dollars and military equipment, Duarte improved neither the economy nor the democracy. He continued to brutally suppress the opposition and thus pushed the country further into the escalating civil war. Contrary to the newly elected President Cristiani, he also did not represent the powerful military and the large landowners.

In the view of the trade unionists, the victory of a clearly authoritarian party need not necessarily mean an escalation of the civil war. Political stimuli provided by the new U.S. Administration, on whose help Cristiani depends, are expected. His position as a "minority president" is not much stronger than Duarte's position, even though he is the candidate desired by the landowners and the military.

The FMLN has proved that a peaceful solution to the conflict is no longer possible without it. Therefore, it has directed its offer for dialogue to the future government. Its demands are mainly aimed at preparing and holding free elections without the presence of the military and, subsequently, the "elimination of the basic evils" through profound reforms, particularly in agriculture, the judiciary, and administration, as well as in the police and the military, the Salvadoran politicians reported.

Guatemala

Official Denies Cerezo Ties to Iran-Contra Case
PA1204032889 Panama City ACAN in Spanish
2212 GMT 10 Apr 89

[Text] Guatemala City, 10 Apr (ACAN-EFE)—Guatemalan Presidential Adviser Julio Santos denied today

that President Vinicio Cerezo had any ties to the Iran-contra case that stemmed from the U. S. illegal sale of weapons to Iran to finance anti-Sandinist groups.

"The reports from Washington are false," Santos told ACAN-EFE. He added that "there was a mix-up in the information Oliver North gave because he tried to present a different version at his trial."

Santos noted that Cerezo has clearly stated on different occasions that he prefers economic instead of military aid to "strengthen the democratic process" in Central America.

According to a 42-page document disclosed on 6 April in Washington during North's trial, President Cerezo said in September 1986 that he would ask the United States "to triple military aid to his country and double economic aid" in exchange for aid to the contras.

Santos admitted the Guatemalan president has tried to get economic and military aid from the U.S. Government, but noted that "unfortunately, aid has not arrived."

Army Rejects Human Rights Group Charges
PA1104130389 Guatemala City LA HORA in Spanish
6 Apr 89 p 5

[Text] Army spokesman Colonel Luis Isaacs, when asked about a DPA dispatch which cites the exiled Guatemalan Human Rights Commission's accusations that the Armed Forces are responsible for "massacres and land destruction," said today that the accusations were intended "to destabilize President Vinicio Cerezo Arevalo's administration and to malign the Guatemalan Army." He also said: "Reports claiming our Army's participation in political assassinations are false."

He added: "This is part of the disinformation campaign directed against our country and Army. People are sending false reports from Guatemala to Mexico and from there to Europe. CERIGUA does just this."

With regard to the DPA report, the Army spokesman said: "This is not the first time that this has happened, and therefore we should not pay too much attention to it. We are complying with the Constitution and we respect the law."

In one paragraph, the DPA dispatch says that during the last decade in Guatemala, 40,000 people have been reported missing, 100,000 people have been assassinated for political reasons, 440 villages have been destroyed, 434 people were illegally executed, and 99 people disappeared.

Finally, when asked about measures that would be taken regarding Guatemalan Human Rights Commission allegations, Isaacs replied that he will request a copy of the news dispatch and then make the relevant clarifications.

Economic Groups Respond to Monetary Policy

PA1104181089 Guatemala City EL GRAFICO
in Spanish 7 Apr 89 p 5

[Text] Several Guatemalan economic groups have rejected the Monetary Board's policy for the period 1 March 1989 to 31 December 1989. This rejection came despite Monetary Board assurances that the basic goal of its policy is "to finance the nation's production activities within a framework of financial and economic stability." To achieve its objective, the Monetary Board set as its goal the attainment of a 9-percent increase in banking and financial institution investments "in an effort to strengthen the country's international position."

Groups rejecting the Monetary Board's policy as simply a "credit restriction" criticized the Board's assessment of the soundness and virtue of their monetary policy, as apparent in their use of such phrases as "economic and financial stability" and "strengthening the country's international position." This policy is regarded as a credit restriction intended to reduce local demand in order to avoid inflation and to reduce the demand for foreign products. This would heavily strain our foreign exchange, whose net amount apparently is reaching dangerous levels.

The Guatemalan Chamber of Commerce was the first to express disagreement with the Monetary Board's policy. Chamber of Commerce President Jorge Ortiz Abularach said the credit restriction could create problems in production sector operations and particularly in the acquisition of resources.

Guatemalan Construction Chamber (CGC) representatives recently expressed their deep concern over the new policy.

The CGC said that as a result of the new monetary policy, banks have closed their lines of credit for housing construction projects. This obviously harms not only home buyers, but home builders as well.

The CSG stated: "...The short-term social impact (of the new Monetary Board policy) will be uncertainty and uneasiness. Private businesses involved in real estate immediately will begin to close down and to declare bankruptcy. That will lead to the immediate and massive dismissal of those working on various housing projects. Those workers will join the ranks of the unemployed, whose need for jobs is increasingly more pressing. The government has not responded to their needs."

The CGC concludes its statements by calling for government scrutiny of the "unfortunate effects" of the Monetary Board's policy and requesting that housing credit lines be excluded from that policy.

The underlying goal perhaps is to stop promoting the demand for housing in order to lower housing prices, "which are reaching astronomical levels."

Venezuela Gives Funds for Hydroelectric Project

PA1204044989 Panama City ACAN in Spanish
2042 GMT 10 Apr 89

[Summary] Guatemala City, 10 Apr (ACAN-EFE)—The Venezuelan Embassy announced today that the Venezuelan Government has approved a \$9.9-million loan to finance a hydroelectric project in Guatemala. A statement released by the embassy says this will be a 12-year loan, with a 3-year grace period, with a yearly interest rate of 6 percent. The hydroelectric project will be built by the National Institute of Electrification on the Bobos River, Izabal Department, in northeast Guatemala.

Honduras

U.S. Convoy Attacked Near Olanchito

PA1204013389 Tegucigalpa Radio America
in Spanish 2357 GMT 11 Apr 89

[Communique No 13 issued by the Armed Forces Public Relations Directorate in Tegucigalpa on 11 April]

[Text] The Armed Forces Public Relations Directorate informs the Honduran people and the world that:

1. Today, Tuesday 11 April, at approximately 1100 [1700 GMT], unidentified persons shot at a routine military supply convoy transporting Honduran and U.S. soldiers participating in the joint engineering exercise "Terencio Sierra 89."
2. The criminal attack against members of the two armies who are working together to build a better road system and improve the living conditions of the Honduran people in Yoro Department occurred 10 miles east of Olanchito.
3. No Honduran or U.S. soldiers were wounded in the attack. However, a vehicle was damaged when a bomb exploded under it.
4. The convoy was traveling from their camp—headquarters for these yearly engineering tasks that include building roads and providing medical and civic assistance to the people—to La Ceiba. From La Ceiba they were to travel to Colonel Enrique Soto Cano Air Force Base.
5. Honduran military and police authorities, with the support of U.S. soldiers, have begun investigating this attack.

[Signed] Honduran Armed Forces Public Relations Directorate

Tegucigalpa, Central District, 11 April 1989

*** Bank Liquidity, Other Economic Problems Viewed**
32480097c San Pedro Sula *TIEMPO* in Spanish
6 Feb 89 p 10

[Text] Tegucigalpa—At least seven banks in the national banking system have run out of reserves because the central government continues to spend uncontrollably and expand the budget deficit, revealed the president of the National Association of Industrialists (ANDI), Edwin Rosenthal.

The businessman also complained that in a new change of policy, the Central Bank of Honduras is forcing export firms financed by the Investment Fund for Economic Development (FIDE) or the FONDEI [not further identified] to turn over all the foreign exchange they receive to the government.

Rosenthal, who was elected president of the ANDI last Friday, stated that this organization favors an increase in the minimum wage. He also indicated that the military appears to be more interested in the country's development than high-ranking government officials are.

The leader of the industrial organization stated that during his administration, he will work to strengthen the ANDI by recruiting new members, and will point out the flaws in the government's economic policy.

He announced that he will begin his work as the new president this week with a meeting either Wednesday in Tegucigalpa or Friday in San Pedro Sula with officials of the Central Bank to explain his positions on the management of the government's monetary policy.

He said that many high government officials claim that foreign investors have the confidence to come to Honduras, but "that is totally false; there is no confidence."

He argued that only Hondurans invest in Honduras, and if they were thinking only of profits and of the bureaucracy that places obstacles in the way of production, they would go to Costa Rica where there are more facilities.

He explained that a foreign company had planned to come to Honduras to produce finished wood components, but it decided not to because of the insistence of the Honduran Corporation for Forest Development (COHDEFOR) that these companies pay for lumber in dollars, and because of uncertainty about the changes that may take place in the management of the Certificates of Transfer with Option for Foreign Exchange (CETRAS) by the directors of the Central Bank.

He revealed that it has now been decided that the firms receiving FIDE and FONDEI financing must turn over to the government all the dollars they earn on exports as long as they are paying off their loans.

These firms are not entitled to receive CETRAS.

Rosenthal Oliva cited the example of the Kattans, who built a garment factory in Choloma. These businessmen are now having problems, he explained, because they have already made an investment and if they cannot get CETRAS, their operation will not turn a profit.

"There are no rules of play here, because the rules change every week." Therefore, businessmen have to neglect their production duties to go around finding out what decisions the Central Bank directors have made.

"They have to provide guarantees here," he said.

The industrialist commented that "sometimes you get discouraged because there are civil servants making statements, and they are the ones who should be the most interested in development, because they are responsible for public administration. And yet when you talk to military officials, you find that they are more interested in the country's development."

He stated that military officials "are a little more difficult" because they understand that if there is no development, there are no jobs, and it is impossible to maintain democracy and peace."

The president of the ANDI said that the minimum wage should be raised, not to 20 or 30 lempiras per day, which would be inflationary, but to a level that is commensurate with the increase in the cost of living.

Rosenthal Oliva complained because the government is sacrificing national producers so that it can pay off the foreign debt and other credit obligations.

He indicated that the government should first meet the national demand for foreign exchange for production, and give second priority to payments to international credit organizations.

"There are no dollars whatsoever, and the same goes for lempiras," stated the businessman, discussing the illiquidity of the national banking system that is preventing it from extending credit.

He indicated that "the last report I saw says that there were 17 banks in the system that had run out of reserves, and now it may be 8 or 9 that are in that situation, because the central government continues to spend money like water, without giving a thought to the budget deficit."

The business leader also criticized the Tegucigalpa city government for expanding its payroll from 600 to 3,600 employees in 3 years without improving public services, while the government of San Pedro Sula, with about 1,400 employees, is able to handle water service as well.

Nicaragua

RN's Sanchez Comments on Election Process

PA1104135289 Managua Radio Corporacion in Spanish
1200 GMT 7 Apr 89

[Interview with Nicaraguan Resistance leader Aristides Sanchez by Rafael Mojica Obregon in Miami; date not given—recorded]

[Text] [Mojica] Hello, Radio Corporacion listeners. Here is an interview with Nicaraguan Resistance [RN] leader Aristides Sanchez on the Daniel Ortega regime's official announcement that Ortega had introduced several reforms at the National Assembly to guarantee the February elections. What can you tell us about that?

[Sanchez] After reading the so-called reforms, which the Sandinist regime will introduce tomorrow at the National Assembly, we understand that the regime and Ortega are not serious, because the proposals are totally absurd and do not change Nicaragua's current electoral system in the least. The Sandinist plan has been completely distorted, and the Nicaraguan opposition cannot accept it because it does not provide even the minimal guarantees for a truly free election process. Here is an example. The Sandinists do not want [words indistinct] to vote. This means that the Sandinists are trying to ignore or to avoid the Nicaraguan problem.

More than half a million Nicaraguans are entitled to vote, regardless of the country in which they live. That right cannot be denied them, because allowing Nicaraguans to exercise their right to vote is one of the main things that can reconcile Nicaraguan society. Second, the Sandinist People's Army should not vote because political parties find it very difficult to compete fairly with an army. That cannot be viewed as democratic; that is not serious; that is a joke played on Nicaraguans. Third, all young Nicaraguans forcibly recruited for compulsory military service cannot continue their service in the Army and must be returned to civilian life so that they can cast their votes.

If the Sandinists are truly serious and actually want the Nicaraguan people to express their views and to decide their fate through free elections, they must implement the amendments proposed by the internal opposition. Those amendments would create a climate of freedom for the elections, stop the war, and democratically determine Nicaragua's future. If that does not happen, the world will learn that the Sandinist government is not politically committed to giving freedom to the Nicaraguan people. Their 2-year charade is collapsing with time.

We have seen the Central American foreign ministers accuse the Sandinist government of intransigence and of a lack of seriousness and commitment to freedom for the Nicaraguan people. Ortega will learn during his European

trip that the Sandinist government's credibility is nonexistent. We do not believe that he will get any loans, because those loans are solely used to disrupt order in Central America and to further enslave the Nicaraguan people.

I believe that the Sandinist government made a mistake in its disgraceful offer to the Nicaraguan opposition to participate in the elections. We cannot let ourselves be fooled by the Sandinist farce and lies. How can Daniel Ortega, the dictator Ortega, expect the Nicaraguan people to freely and voluntarily reelect him to another term? We know that his actions throughout the past 10 years, that he and his party have been dictators all these years.... [changes thought] How could the people want to reelect him, knowing how he morally, politically, and economically destroyed Nicaraguan society? It would be absurd to think that people would reelect him.

From the very moment that he seeks the candidacy, we will know that the Sandinist government's farce or hoax is already under way. I believe that the true opposition to the Sandinist regime will not accept or participate in such a process, and neither will the RN. The RN will always maintain their strength to be able to resume this struggle, which, unfortunately, we think will be even harsher than the current one because Sandinist government intransigence is shutting out all political opportunities for the Nicaraguan people and all chances for reaching a peaceful settlement. This sort of hoax no longer works. The Sandinist government must become serious, because the world will not let Ortega continue to play with Nicaragua's fate. Either they make true amendments that will bring freedom and democracy to the Nicaraguan people, or the war will continue.

[Mojica] Dr Sanchez, we must say that the Sandinist regime's huge international propaganda campaign has led important news media or news agencies to report that the Sandinist regime is keeping its commitments to pardon political prisoners. They also say that the Sandinist regime is keeping its word by making this proposal regarding the elections. In other words, the Sandinists are creating the impression abroad that they are keeping their commitments. What do you think must be done about that?

[Sanchez] We must tell the world the truth about what is happening in Nicaragua. The Central American presidents are obligated to tell the Sandinist government that the steps it is taking are not part of the Esquipulas and San Salvador commitments. The Sandinists are [3-second break in reception] is not what they agreed on and is not serious. The Central American presidents and the Nicaraguan people must denounce the Sandinist regime to prevent it from deceiving the international media with the supposed steps that they are taking to fulfill their commitments.

Moreover, the Sandinist regime signed the Salvadoran agreement specifically thinking that it would get international loans at the San Jose V conference in San Pedro

Sula to overcome its economic strangulation. However, that did not happen. No one is giving them loans because they know that the money the Sandinists request from abroad will be used to disrupt order in Central America and to further enslave the Nicaraguan people. The loans will not fulfill the social objectives that all these countries seek for Nicaraguans.

The Sandinists' pledges will be temporary. Some gullible countries believe that the Sandinist government is ready to create a democratic opening in the country. However, they will see that this is not true. We are witnessing a short-term Nicaraguan Government strategy to consolidate itself, to overcome its economic strangulation, and to try to destroy the RN. The RN has demonstrated its strength and will not be destroyed by the Sandinist government, because the RN is greatly patriotic and clearly realizes what reforms are required to reach full democracy in Nicaragua.

[Mojica] Regarding the stance you say the Central American presidents should adopt, we recall that the Salvadoran Government, for example, has been inflexible in its demand that the Sandinists stop aiding the Salvadoran guerrillas. Also, Guatemalan President Vinicio Cerezo said that U.S. support to the RN is a positive step. Meanwhile, a few weeks ago, the Honduran Government made dismantling the RN camps in Honduras contingent upon dismantling the Salvadoran Farabundo Marti National Liberation Front guerrilla camps in Honduras. In addition, Costa Rican President Oscar Arias said in Washington on 5 April that during their news conference in Havana, Soviet leader Mikhail Gorbachev and Cuban leader Fidel Castro did not give concrete signs of their professed support for Central American democratization. They again announced plans to give military aid to the Sandinist regime and did not say that they will stop giving aid to the Salvadoran guerrillas. Nevertheless, the Sandinist regime rejected their position. Do you regard this as positive?

[Sanchez] Of course it is positive. The Central American democratic presidents' remarks clearly convey the spirit of the Salvadoran agreement, while those of the Sandinist government do not. The Sandinist government interprets the Salvadoran agreement to mean only the dismantling of the RN camps. The Sandinist government's interpretation is inaccurate and demonstrates their bad faith. The true spirit of the Salvadoran agreement is a return of the freedom fighters to civilian life in exchange for true democracy that addresses the interests of all Nicaraguans. That is the spirit of that agreement, and that spirit prevails.

The Sandinist government should not expect the counterrevolutionary troops to disband as a result of inconclusive or unfulfilled government pledges. We already have seen a positive reaction from Central American governments demanding strict compliance with the spirit and goals of the agreement they signed, which

specifically calls for the RN to return to Nicaraguan civilian life in exchange for a truly democratic process that will satisfy all Nicaraguans.

[Mojica] To conclude, we know that the opposition parties have drafted a document demanding true or positive changes to allow the elections to be held. What has the RN observed.... [changes thought] How does the RN feel about the Nicaraguan political parties' document?

[Sanchez] The RN supports the Nicaraguan internal political parties' document. The parties seriously and correctly assert the need for the amendments to ensure a more or less free election process, in view of the situation in Nicaragua. We have supported the amendments they demand. We will continue to support them. We believe that this is what the Sandinist government must do. It must accept all the amendments introduced by the domestic opposition, because the amendments could be an important determinant of how the elections are conducted. If there are no amendments, I think there will be no Nicaraguan elections; instead there will be a war that is even stronger than the current one, because the Sandinist government's intransigence shuts out all opportunities.

Opposition, RN Issue Document; End Meeting

PA1104181589 Managua Radio Corporacion in Spanish
1200 GMT 11 Apr 89

[Document issued by representatives of 14 opposition political parties and the Nicaraguan Resistance in Guatemala City on 10 April—read by Independent Liberal Party Vice President Joaquin Mejia over a telephone relay from Guatemala City]

[Text] Following the working meetings between Nicaragua's internal civic opposition and the Nicaraguan Resistance [RN] in Guatemala City on 9-10 April to discuss the correct implementation of the agreements signed by the Central American presidents on 14 February, and within the spirit of Esquipulas II, we declare:

1. We view these meetings as a very positive step for the solution to the grave problems that are afflicting Nicaraguan society and negatively affecting the Central American isthmus.
2. The RN supports the document listing social and political demands and reforms for the election law presented by 15 political parties and organizations to the Sandinist government on 6 April 1989.
3. We feel the proposal for an amendment to the election law sent by President Daniel Ortega to the National Assembly is insufficient, biased, and self-seeking [interesada] and does not contribute toward creating the necessary conditions to hold free, just, and honest elections in Nicaragua, as the Nicaraguan people and the international community demand.

In addition, the Sandinist government proposal does not create the necessary conditions for the integration of RN members into the country's civilian life.

4. We feel the special commission appointed by the National Assembly president to receive the election reforms proposed by the executive branch was composed in a way that ostensibly favors the interests of the Sandino National Liberation Front's [FSLN] totalitarian project, openly going against the spirit of the joint declarations of Esquipulas and El Salvador, which call for an agreement through dialogue.

5. We accept the political challenge to participate in the elections under the terms expressed in the Central American president's joint declaration signed in El Salvador. We are doing this to defeat the FSLN through the people's votes, which will lead us to democracy, a stable and lasting peace, and the nation's reconciliation and reconstruction. Therefore, the RN reaffirms its position to maintain the suspension of military offensive operations during the holding of a truly free election process in our country.

We report to the local and international community that we will hold another meeting in May to unite views and plan strategies until we get Nicaragua to fully comply with the agreements signed by the Central American presidents in Esquipulas, Alajuela, and El Salvador. Guatemala City, 10 April 1989

Delegation Returns

PA1104193789 Managua Radio Catolica in Spanish
1825 GMT 11 Apr 89

[Text] The delegation of Nicaraguan opposition parties that is returning from Guatemala will arrive today at noon, said Adolfo Jarquin, vice president of the Social Democratic Party [PSD]. Jarquin said the delegation may hold a news conference with the national and international media.

The political leader said the document signed at the Guatemala Fiesta Hotel last night by both delegations is intended to achieve peace and the country's democratization.

Jarquin agreed with the Nicaraguan Resistance's decision to support the proposals of the 14 opposition political parties. We have more details on this:

[Begin recording] [Jarquin] We believe the internal civic opposition has received the support of an important group that has faced the Sandinist government with their weapons in their hands. We have seen that the document was signed for the benefit of peace and the country's democratization. We have reformed the country's election laws and have been able to progress toward the implementation of the laws because we have been able to get the RN to support the democratic framework proposed by the internal civic opposition.

In this regard, a great step has been taken for the benefit of the country's peace and democratization.

[Reporter] Mr Jarquin, the RN has said they will participate in the elections. We accept the challenge, they have said in their communique. Based on this, what will be the next step in the opposition's struggle?

[Jarquin] We believe the Sandinist government should prove they really want free elections. We have questioned the bill calling for reforms to the election law. It is a bill that does not fulfill the aspirations of the internal civic opposition. The bill is not in keeping with the opposition's demands: to conduct an election process based on freedom, cleanliness, and fairness. We believe we should prove we want peace and democratization, which our people so desire. We believe we should continue to work for peace and democracy in the country.

[Reporter] We understand that the 14 political parties will meet on Tuesday. Will the meeting be held at the PSD offices? What will the agenda be?

[Jarquin] On 8 April, we tried to meet the 14 political parties at our headquarters, because of a suggestion from the Independent Liberal Party, but the meeting could not be held. We are now calling for a meeting at 1700 to see if we are able to sit together and review the bill presented to the National Assembly by the Sandinist government to see if we can state our position in this regard. [end recording]

Government, Businessmen View Financial Measures

PA1104153489 Managua EL NUEVO DIARIO
in Spanish 7 Apr 89 pp 1, 6

[Text] Economy, Industry, and Commerce Minister Luis Carrion last night announced a new monetary regulation that will benefit the industrial sector by allowing exporters to use their earnings without expending additional cordobas to make up for devaluations.

This was one of the major complaints made by private and public sector industrialists during a meeting between a Nicaraguan businessmen's association and Carrion.

At the meeting, the industrialists demanded a clarification of the National Financial and Fiscal System's policies and specifically the elimination of the 7-percent tax.

It was announced that enterprises will be able to reduce the 7-percent tax to 1 percent or eliminate it completely, depending on their net sales.

In Debt

In terms of the National Financial System's banking policies, the businessmen attending the meeting said that they have fallen heavily into debt not just because of taxes, but also because of high interest rates at banks. They added that they find it impossible to pay good salaries or to make bank payments and have already resorted to bartering.

Even though National Financial System official Antonio Medrano explained the bank policies at length, the businessmen considered the policies to be inefficient. Carrion agreed with the businessmen on this point, explaining that the banking system and the businesses have suffered losses.

Carrion added that the request to eliminate the 7-percent tax on sales would be discussed and that the tax law may be modified as a result.

Furthermore, Carrion evaluated the state of the small- and medium-sized industries and said that the industrial sector has been slowly deteriorating. He added that industrial sector employment has been reduced to the extent that entire shifts have been eliminated to face this situation.

Panama

Noriega Meets Corregimiento Representatives

PA1104153589 Panama City Telemetro Television
in Spanish 2300 GMT 10 Apr 89

[Text] In keeping with his policy of maintaining direct contact with the sectors that represent Panamanian society, General Manuel Antonio Noriega met this morning in Chepo with corregimiento representatives of Panama City, San Miguelito, and eastern Panama Province.

During the dialogue, the importance of the representative as a vital part of the country's development was stressed. All the speakers highlighted the accomplishments of the revolutionary process during its 20 years of existence. They also noted the political unity of the sectors that compose the National Liberation Coalition, COLINA, which will guarantee its victory in the 7 May elections.

Gen Manuel Antonio Noriega referred to the need to rectify old, traditional structures so the representatives can support and complement the legislator in his corregimiento.

Ritter Comments on Relations With U.S.

PA1204044189 Panama City MEDIODIA in Spanish
11 Apr 89 p 2

[Text] Panamanian Foreign Minister Jorge Ritter has said: "Panama has not broken relations with the United States because although this country has proved to be an aggressor, the two countries are connected to each other because of the Panama Canal. This association must continue until the year 2000 because of the service that the canal provides to the world."

Ritter added: Panama does not want to hinder this relationship with the United States. On the contrary, we have always been willing to normalize relations. We now reiterate this willingness, but the U.S. Government must take the first step by acknowledging that the government headed by Manuel Solis Palma is legitimate.

Labor Party Denies Ties to Carlos Eleta

PA1204034889 Panama City CRITICA in Spanish
11 Apr 89 p 27

[Statement issued by the Labor Party's Political Commission in Panama City on 8 April 1989]

[Text] The general public is already aware that Mr Carlos Eleta Almaran is currently under arrest, charged with attempting to smuggle cocaine into the United States. A number of ill-intentioned U.S. press agencies and some Panamanian sectors have tried to insinuate that Mr Eleta Almaran maintains ties with the Labor Party (PALA).

The PALA Political Commission wishes to remind the Panamanian people that 2 years ago, both the PALA National Directorate and the PALA National Convention in Santiago, on 30 March and 26 April 1987, respectively, decided to remove Mr Eleta Almaran from all party posts and to completely end his participation in the PALA's activities. This was done because of Mr Eleta's show of political ineptitude in attempting to use our political party to further his personal interests and in attempting to place the party at the service of U.S. interests.

Our party condemned and expelled Mr Eleta and a very small group of his supporters. From that time, there has been no relationship whatsoever between Mr Eleta and the PALA.

It is necessary to point out that, after being expelled from the PALA, Mr Eleta and his small group of accomplices sought refuge in the ranks of the opposition, where he was greeted with much fanfare and reverence as though he were a symbol of justice, freedom, and democracy.

A few weeks ago, speaking on behalf of the Democratic Labor Movement, which is affiliated with the MOLI-RENA [Nationalist Liberal Republican Movement], and on the occasion of that party's nomination of Legislative District 8-10 candidate Arturo Vallarino, himself a member of Eleta's movement, Mr Eleta stated:

"I will make all of my efforts in the ranks of the opposition."

As the general public is aware, since his expulsion Mr Eleta has become a prominent opposition figure and one of the opposition's most important sources of funds.

Therefore, there are no political ties between Mr Carlos Eleta, active sympathizer of the Civic Democratic Opposition Alliance, and the PALA, which is a member of the National Liberation Coalition. Panama City, 8 April 1989 PALA Political Commission

Electoral Tribunal Official on Election Observers
PA1204040489 Panama City MEDIUM in Spanish
10 Apr 89 p 10

[Text] The only countries invited to send observers to the 7 May elections are the members of the Association of Central American and Caribbean Electoral Organizations [Asociacion de Organismos Electorales de Centroamerica y el Caribe], according to statements by Mrs Cynthia Graham de Sampson, president of the commission in charge of coordinating the arrival of representatives from the nine member countries.

Mrs Sampson pointed out that Panama is a member of the association, which was formed as a result of the Tikal protocol signed in Guatemala in 1985, by which all member countries' election organizations exchange documentation and serve as electoral observers in an effort to improve democracy in the region.

Based on this agreement, invitations were issued to countries such as Antigua and Barbuda, El Salvador, Costa Rica, Guatemala, Honduras, Jamaica, Nicaragua, the Dominican Republic, and St Lucia. The invitations were specifically addressed to those countries' election organizations. Antigua and Barbuda and the Dominican Republic have confirmed that they will participate. Confirmation from the other countries is expected this afternoon.

Mrs Sampson explained that the observers will begin arriving on Wednesday, 3 May, depending on their travel arrangements. In closing, Mrs Sampson said the visiting observers will be given all the facilities needed regarding the election process, so they can see for themselves whatever might take place at the national level, in the interior, or even in the San Blas region.

Other sources told MEDIUM that the preliminary list of observers includes Keithly Hill (Antigua and Barbuda); Gonzalo Brenes, Rafael Villegas, Cecilia Cortes, Ernesto Montealegre, Rodolfo Pacheco, Marta Ordonez, and Maria de los Angeles Sequeira (Costa Rica); Ricardo Perdomo and Jorge Alberto Diaz (El Salvador).

The following people have also been officially invited: Arturo Herbruger Asturias, Arturo Manuel Aldana, and German Castaneda (Guatemala); David Reyes, Yolanda Vargas, Lidia Alvarez, Adan Palacios, and Cesar Tome (Honduras); Noel Lea, and Lloyd Yvonne (Jamaica).

The following people from Nicaragua are to be invited: Mariano Fiallos, Carlos Garcia, Dionisio Jorge Palacios, and Rosa Marina Zelaya. The name of Froilan Tabares has been mentioned in connection with the delegation from the Dominican Republic.

Catholic Church To Post Observers at Polls
PA1104155289 Panama City Circuito RPC Radio
in Spanish 1910 GMT 10 Apr 89

[Text] In a communique issued by the Panamanian Episcopal Conference, the Catholic Church of Panama announced it will post observers at the polling tables on 7 May. It was announced that the observers will be persons without political affiliations who will subsequently report their findings.

Workers Protest 'Forced' Campaign Participation
PA1104210789 Panama City ACAN in Spanish
2007 GMT 11 Apr 89

[Text] Panama City, 11 Apr (ACAN-EFE)—Leaders of the major Panamanian public employees association said today that the Panamanian Government and progovernment political parties have forced public employees to attend government campaign events.

During a news conference, Juan Samudio, secretary general of the National Federation of Public Employees (FENASEP), also reported the "unjustified" dismissal of 140 public employees over the last 2 weeks.

FENASEP leader Anibal Culiolis said today that the government and the progovernment National Liberation Coalition (COLINA) parties "must stop their coercive methods that force (public employees) to attend their campaign events."

Samudio said that there have been dismissals in the National Culture Institute, the Commerce and Industries Ministry, the Agricultural Development Ministry, the state-owned National Savings Bank, the National Bank of Panama, the National Water and Sanitation Institute, and other state institutions.

Samudio explained that according to the law, reasons for dismissal "must be justified and proved," which has not been the case. Samudio refused to answer questions regarding the true reason for the dismissals.

However, he said that half of the dismissed employees have been reinstated thanks to FENASEP's efforts.

According to Culiolis, the dismissals began on 31 March, 3 days after President Manuel Solis Palma warned that those "who are not with us (the government) must be eliminated."

Culiolis said: "The government, and particularly those who direct COLINA's campaign, will not obtain public employees' enthusiastic support by threatening or pressuring them."

Culiolis added that instead of helping, the dismissals "have harmed COLINA's campaign" and "affected the security" of employees' jobs.

Ministry Issues Tax Ruling Against RPC

PA1204041589 Panama City Circuito RPC Television
in Spanish 2300 GMT 10 Apr 89

[Text] Unexpectedly, on the afternoon of 7 April, Finance and Treasury Ministry officials formally notified Fernando Eleta Almaran, president of the Panamanian Radio Broadcasting Corporation [RPC], of 31 additional tax rulings issued by Panama Province's Regional Tax Administration office. Through these rulings, the ministry is charging this corporation, which owns RPC Radio and Television, \$1,788,346.06 in outstanding tax payments. If we add the interest that must be paid on this figure, the amount to be paid by this corporation will be more than \$2 million.

This clearly unjustified tax is applied on this firm for activities it has been carrying out, within the normal course of business, since the creation of this corporation 29 years ago. We had never been subjected to this tax. No other television station operating in our country and carrying out similar activities has been punished with this same unjustified tax.

It must be noted that only 9 working days passed between the time the investigation began and the date on which the 31 rulings were issued.

Molotov Cocktails Thrown at Colon PRD Office

PA1204032089 Panama City LA REPUBLICA
in Spanish 11 Apr 89 pp 16, 8

[Report by Luis C. Harris]

[Text] Colon—At approximately 2300 yesterday [10 April], opposition followers threw three Molotov cocktails at the PRD [Democratic Revolutionary Party] office on 8th Street and Martyrs Avenue in this city.

The situation was controlled thanks to the quick action of the residents of the building where the office is located. The homemade bombs only stained and slightly burned the walls. Fire fighters also came to the scene.

All the members of the 14 families, including 22 children, who live above the PRD office in the building were frightened and stayed awake for fear of new attacks. They all went to bed after 0400.

This terrorist attack comes a day after some PRD members prevented Christian Democratic Party [PDC] members from sticking posters on the PRD office.

It is worthwhile mentioning that the PDC office is only one block away from the PRD's office and two blocks away from the office of the Liberal Party, which also supports [PRD presidential candidate] Carlos Duque. The latter was also attacked a couple of nights ago. Suspiciously, the PDC office has never been attacked.

Argentina

New Economy Ministry Officials Appointed

PY1104035789 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 2340 GMT 10 Apr 89

[Text] Buenos Aires, 10 Apr (NA)—It was officially reported tonight that the government has appointed former Central Bank Director Mario Vicens as the new economic coordination secretary, a post equivalent to deputy economy minister.

Pablo Guerchunoff was appointed chief counselor of the Economy Ministry, and Daniel Marx was confirmed as Argentine financial representative in Washington.

Defense Minister Returns, Makes Statement

PY1104190289 Buenos Aires TELAM in Spanish
1416 GMT 11 Apr 89

[Text] Buenos Aires, 11 Apr (TELAM)—Defense Minister Jose Horacio Jaunarena has stated that "in Europe the Argentine electoral process is being observed with great expectation." Moreover, the "normalization of our country's institutions" is also being viewed sympathetically, and "answers to the questions about the future of Argentina are being clarified."

Jaunarena spoke at Ezeiza International Airport upon his return from a trip to Israel and Europe. Answering a question on whether Europeans still ask about the danger of a coup d'etat in Argentina, the defense minister stated: "I would say that this is a rather common question, but you hear it less and less now. They ask who is going to win, whether it will be the Radical Civic Union [UCR] or the Peronist party. They do not think of a different question."

Regarding the possibility of Israel purchasing Argentine submarines, he said that "there has been an initial conversation about it." He added that if this is achieved, it will be a way of activating the Domecq Garcia shipyard."

He said that negotiations for the purchase of Israeli fighter planes by Argentina are in an advanced stage.

Jaunarena added that he visited several German industrial companies with whom "we discussed the possibility of joining our efforts to sell Pampa Airplanes to the United States as partners in the production of these airplanes."

Asked about the need for reequipment, he said that "we must take into account that since the Malvinas War our Armed Forces have not been reequipped." He said that he has a trip pending to Italy, and that he is working on the basis of a defense agreement similar to that signed with Spain.

* Army Criticizes Internal Security Decree

33480144e Buenos Aires AMBITO FINANCIERO
in Spanish 16 Mar 89 p 14

[Report by Carlos Tortola]

[Text] At their most recent meeting the army commands analyzed their options now that the Executive Branch has issued Decree 327, which created the Internal Security Committee, and established the groundwork for regulating military intervention in action against terrorism, based on the authority of the president, who will reportedly oversee the matter.

The commands' discussion revolved mainly around the report submitted by Army Intelligence Headquarters, which was divided into four issues: the likely immediate evolution of terrorist action, the jurisdiction that ought to apply in the future, the involvement of military intelligence and operational aspects.

As for the first issue, military intelligence told Francisco Gassino and the commands that, according to its assessment, terrorism would see its political maneuvering room narrow considerably after the 14 May elections and that, therefore, it would likely attempt to cause another major incident before then to assert its presence and influence the electoral panorama.

As for criticism of the system that Decree 327 establishes, what worries the generals is the problem facing military personnel who may be involved in antiterrorist actions, as has already happened at La Tablada.

Most of the commands feel that the government must issue complementary regulations or spur legislative reforms so that any military personnel who take action against terrorism, by defending a unit, for example, fall automatically within the orbit of military justice.

Complication

The issue is not a simple one. First of all, it is not likely that Radicalism will support such a change. Moreover, in the event that military justice played this role, the terrorists involved would be tried by the federal justice system while the military personnel involved in the same incident would remain within the military orbit, thus leading to a dead end.

The military's attention remains fixed on the probable repercussions of the complaints by the attorneys of the terrorists charged in connection with La Tablada that their human rights were violated.

Another issue addressed was the provision of Article 7 of Decree 327, which gives the president the power to involve the military-intelligence services in antisubversive activities.

This provision contradicts Article 15 of the Defense Law, which specifically prohibits military involvement in domestic intelligence; moreover, it remains to be seen in what way military intelligence can become specifically involved.

If we bear in mind the major political tensions that are developing over this issue, the army will likely propose to the government that military intelligence should under no circumstances seek or gather information.

This task would be left up to the security agencies, with the armed forces limited to cooperating in analyzing the information supplied by them.

There is no lack of problems, however. There are places in the country in which the armed forces alone are in a position to do intelligence work, owing to the meager presence of the security agencies.

Uranium Solvent-Extraction Plant Completed

*PY1104191089 Buenos Aires TELAM in Spanish
1865 GMT 10 Apr 89*

[Text] Buenos Aires, 10 Apr (TELAM)—The National Atomic Energy Commission (CNEA) has disclosed that its Process Development Department has completed the construction of an experimental plant for solvent-extraction of uranium.

The plant design was made possible by the technological progress made by the CNEA in studying uranium concentration and purification. This plant will also make it possible to separate elements such as copper, zinc, molybdenum, vanadium, zirconium, and hafnium.

Thanks to its technical ability, this multi-purpose plant will allow laboratory scale studies by varying, within a wide range, the fluid-dynamics or the process parameters of the plant.

The CNEA explained that this plant was built almost completely with Argentine-made equipment, and that the commission was responsible for the project's engineering, construction, and assembly.

The CNEA further noted that this particular technology can open new export opportunities which would be important not only from an economic standpoint, but also from the standpoint of Argentina's international prestige.

Satellite Data Transmission Service Demonopolized

*PY1104160089 Buenos Aires TELAM in Spanish
2026 GMT 10 Apr 89*

[Text] Buenos Aires, 10 Apr (TELAM)—Public Works and Services Minister Rodolfo Terragno today approved projects submitted by five enterprises that are offering satellite data transmission services in the country.

These enterprises have benefited from the decree that demonopolized this service. In the past the National Telecommunications Enterprise (ENTEL) had a monopoly in this area.

According to a communique issued this afternoon by the Public Works and Services Ministry, "data transmission via computers and video systems is one area with great potential throughout the world in the telecommunications field."

The projects were submitted by Impsat, Keydata, Alcatel, Dynamic Systems, and Meller. Although individually slightly different, the services offered cover the transmission of data among their clients. Each enterprise will have its own system, independent of the ENTEL network.

Bomb Damages Union Building in Rosario

*PY1104230589 Buenos Aires Domestic Service
in Spanish 1600 GMT 11 Apr 89*

[Excerpt] A home-made bomb exploded this morning outside the headquarters of the Union of Workers of the Meatpacking Industry, which is located in the southern sector of Rosario. The bomb did not cause any injuries, but the building was damaged. [passage omitted]

*** Menem's Unyielding Character Emphasized**

*33480144d Buenos Aires EL PERIODISTA in Spanish
10-16 Mar 89 p 62*

[Commentary by Tomas Eloy Martinez: "No One Encircles Menem"]

[Text] In 1973 the youths in the so-called "revolutionary tendency" assumed that when they pushed for Juan Domingo Peron to occupy the center of political power, the Grand Old Man would be forced to set in motion the agenda for the country that they had developed. Back in June of that year, the day after his stormy return to Argentina, Peron disappointed them: "Those who naively think that they can corner our movement are wrong," he said. Like every seasoned politician, Peron was a pragmatist. Before gaining power, he had promised them everything: "This is a changing world, and the boys are right," he repeated in Madrid and Buenos Aires alike. "And if they are right, we have to say that they are right and give them the government." But when the general had power in his hands, the course that he set was his own: "national socialism" instead of revolution, alliances instead of breaks.

That lesson was never completely learned. One of the most common errors in Argentine politics is to assume that the decisions of the chief of state can be conditioned by those who are not his proven friends, that a president can be "encircled," as they used to say in Isabel's day. The conditions are imposed before the takeover of power. Afterwards, with votes in hand, any negotiation is just wishful thinking.

Something similar to what happened to that "tendency" back in 1973 could now come to pass with Peronist Renewal if Carlos Saul Menem wins the presidential elections on 14 May. Ten days ago in Mar del Plata the Renewal people imposed almost all of their arguments. They defined the government platform, established the campaign strategy and took firm control of the party machine. Menem encouraged the head of the Renewal faction, Antonio Cafiero, with words similar to those that Peron had spoken to the "tendency" 16 years ago: "That's how it's always going to be, Antonio. We all agree, you're in charge (of the party)." At the same time, however, he made it clear that the platform drafted by Renewal is not a final text but rather a flexible tool that can be adapted to unexpected campaign developments. "The Renewal people have regained lost ground," LA NACION concluded last Sunday. And here, in these same pages, it was conjectured, recalling a slogan from 1973, that if Menem made it into government, Cafiero would hold power.

That is overly rash. Those who have followed Menem's blazing political career know that he conceives of his political mission as an almost religious destiny and that the basic items on his agenda for the country have remained unchanged since 1973, when he first became governor of La Rioja in the deserted village of San Antonio de los Llanos, where his model caudillo, Juan Facundo Quiroga, had been born. No one will "encircle" Menem, as Isabel Peron would say, if he becomes president of the republic. Neither the Renewal people nor, much less, his potential allies in the Electoral College. Whoever votes for Menem on 14 May ought to know that he is voting for "his" personal version of politics and is backing the first crusaders of this version: the Twelve Apostles and the union organizations. With votes in hand, Menem would have no reason to give in.

The strategy of the Renewal faction is conciliation; Menem, in contrast, believes that he is a man of destiny. Conciliation would be a way to negotiate, and no one negotiates with destiny: it is already written. His creed is what he himself has defined as "revolutionary nationalism." He has often, especially in recent times, made some corrections to this creed, corrections dictated more by his advisers' repeated warnings to be careful during the campaign than by what could be called, in Menem's language, "promptings of the heart." Whenever he has been able, Menem has preached the need to repatriate the remains of Juan Manuel de Rosas, to recover the Malvinas "by reason or by force" and to "totally purge" the conservative sector of the military to prevent future coups d'etat. Menem once said that he was "ordered by Peron from heaven" to make these decisions. He has aroused unbounded enthusiasm with such language, always preceded by the vocative "Brothers." His campaign advisers generally ask him to quiet down, and then Menem reluctantly falls silent. But at the first opportunity he gets carried away again. Before 14 May the Renewal people will undoubtedly manage to get the

candidate to deny, out of convenience or pragmatism, what he feels and thinks. Afterwards, if he wins, they will in no way be able to force him to do what he does not want to.

Max Weber studied with admirable thoroughness the religious view of politics of which Menem is the most clear-cut example in Argentina. Faith in a given model of the world, Weber says, naturally impels one to regard as legitimate any violence against adversary models. Weber is referring not just to physical violence but also and especially to institutional violence. As far as faith is concerned, there is no such thing as pacts, conditions or winks of complicity. Those who are not with me are against me and must be destroyed. Those who are closest are the first to fall, like Hector J. Campora and the "marvelous youth" of 1973.

We saw a striking foretaste of this potential future when television gave lavish coverage to the Moron Deliberative Council's 90-day suspension of Mayor Juan Carlos Rousselot, one of the Twelve Apostles. As the majority of the councilmen raised their hands to confirm the ruling, a legion of the Menem faithful swore revenge from the galleries, not against their Radical adversaries but against their fellow party members in the Renewal faction. Those who feel religious about their politics are generally fond of this sort of parable. For friends, everything; for dissidents, not even justice.

*** Poll Shows Labor's Negative Public Image**
33480144a Buenos Aires MERCADO in Spanish
23 Feb 89 pp 42-44, 46-48

[Text] The structure and characteristics of Argentina's union leadership are a topic of ongoing debate in the country, so much so that someone asserted very recently that it will be very hard for Argentina to make its economic takeoff unless the structure in question undergoes a sweeping transformation. Accordingly, hearing the man-in-the-street's opinion on this issue is of great interest. A poll that the Estudio Kolsky has just conducted and on which MERCADO has an exclusive, sheds some light on the public's opinion of labor leaders, along with other related issues such as the control of social benefit funds and work stoppages by civil servants.

As we can see in detail in the following pages, the CGT [General Confederation of Labor] leadership receives a 67 percent negative rating when the various responses are tallied up, for example those who contend that the leadership "is poor" and those who feel that it "defends political interests." Oddly enough, Secretary General Saul Ubaldini received an almost identical negative rating (68 percent). This number too was calculated by adding together the various responses, ranging from those who simply call him a "poor leader" to those who feel that he "is a politician and should not be mixed up in politics." It is indeed noteworthy that when asked about the management of social benefit funds, most think that the workers ought to have control. Within this

category, however, more feel that "the workers themselves" ought to be in charge than support control by the unions. We could assume that the distinction between "the workers" and "the unions" reflects some sort of mistrust of the latter.

Technical Data

House-to-house poll of general population ages 18 to 74.

Sampling method: probabilistic in selecting blocks by random, based on quotas for age, sex, education and socioeconomic level on each block selected.

Size of sample: 400.

Margin of error: plus or minus 5 percent for the totals.

Location: Federal Capital and the 19 districts of Greater Buenos Aires.

Date: from 5 to 15 November 1988.

Opinion of Union Leadership: Image of CGT leadership

What Do You Think of the Leadership of the CGT?

Reply (in percent)	Nov 86	Apr 87	Jul 87	Oct 87	Apr 88	Aug 88	Nov 88
Does not defend workers	20	12	11	9	15	20	7
Defends interests of working class/has no effect	18	20	27	28	23	20	21
Poor/disastrous/irrational	16	36	14	28	20	25	37
Defends political interests	16	15	27	21	34	28	23
Others: neither good nor poor/defends own interests	10	12	3	2	—	4	8
Don't know/no answer	20	18	28	19	11	15	12
Average mentions	1.1	1.1	1.0	1.1	0.9	1.1	1.1
Base: All respondents							

The question about the CGT leadership revealed a 67 percent negative rating, compared to 73 percent last August, a 6 percent improvement. Nonetheless, there have been shifts in the categories that make up the

negative rating, as responses such as "poor/disastrous" without any further clarification are more common, whereas the reply "does not defend the workers" were significantly less frequent.

Opinion of Ubaldini

Reply	Apr 87	Jul 87	Oct 87	Apr 88	Aug 88	Nov 88
Poor leader/does not represent workers/is a demagogue	54	35	39	41	37	35
A good leader/represents the rank and file/is responsive to interests of the workers	16	29	28	23	20	22
Is an honest/humble leader/has initiative	8	7	6	4	8	5
Is a politician/should not get mixed up in politics	6	2	2	15	14	20
Opportunistic/a phony	—	—	—	—	—	13
Others	5	5	4	2	14	—
Don't know/no answer	12	22	21	17	14	13
Average mentions	1.1	1.0	1.0	1.0	1.1	1.1
Base: All respondents						

Saul Ubaldini's image, in contrast, remained more or less the same as in the previous survey, with a 27 percent positive rating and a 68 percent negative one.

Opinion of CGT Leadership, Based on Union Membership (Extent of Membership as of November 1988: 21 Percent)

Members	Nov 86	Apr 87	Jul 87	Oct 87	Apr 88	Aug 88	Nov 88
Does not defend workers	16	14	11	12	14	23	11
Defends interests of working class	35	26	43	21	25	25	19
Poor/disastrous/irrational	16	33	12	30	24	27	36
Defends political interests	12	14	27	20	37	37	19
Others	—	—	—	—	—	3	11
Don't know/no answer	5	5	5	18	9	6	13
Average mentions	1.0	1.01	1.03	1.01	1.09	1.2	1.1

Nonmembers

Opinion of CGT Leadership, Based on Union Membership (Extent of Membership as of November 1988: 21 Percent)

Members	Nov 86	Apr 87	Jul 87	Oct 87	Apr 88	Aug 88	Nov 88
Reply							
Does not defend workers	21	12	11	9	10	19	6
Defends interests of working class	15	16	24	30	20	19	21
Poor/disastrous/irrational	17	37	14	27	23	24	36
Defends political interests	17	15	27	21	35	26	24
Others	—	—	—	—	—	4	4
Don't know/no answer	21	20	21	19	9	17	11
Average mentions	1.0	1.03	1.0	1.06	1.0	1.01	1.1

When we do the customary breakdown between members and nonmembers to prevent skewing, we see that the negative and positive ratings remain relatively the same. Thus, 66 percent of the members and the same

percentage of the nonmembers described the union leadership in negative terms, while the positive rating is 19 percent among union members and 21 percent among nonunion members.

Opinion of Saul Ubaldini According to Union Membership (Degree of Unionization: April, 18 Percent; August, 21 Percent)

Members	Jul 87	Oct 87	Apr 88	Aug 88	Nov 88
Reply					
Poor leader	30	46	41	38	29
Good leader	43	27	30	22	19
Honest leader	12	11	6	11	5
Defends political interests	4	2	16	16	17
Other	9	4	10	13	15
Don't know/no answer	7	11	—	5	17
Average mentions	1.05	1.01	1.03	1.05	1.00
Nonmembers					
Poor leader	35	37	44	37	36
Good leader	27	29	20	19	23
Honest leader	6	5	5	7	6
Defends political interests	2	3	19	13	21
Other	5	2	14	14	13
Don't know/no answer	25	24	—	17	12
Average mentions	1.0	1.0	1.02	1.07	1.10

As for Saul Ubaldini, his positive rating is up among both members (24 percent) and nonmembers (29 percent), but so is his negative rating, 46 and 57 percent respectively.

The Work Stoppages by Civil Servants

What Do You Think of the Work Stoppages That Civil Servants Have Been Staging?

Reply	Percent
Agree	37
Disagree	45
More or less agree	15
Don't know/no answer	3
Base: All respondents	

Opinion on the work stoppages that civil servants have been staging is sharply divided, as 37 percent say they "agree," with this view strongest at the lower socioeconomic levels, among Peronist and Intransigent voters and among 45- to 54-year olds. In contrast, 45 percent "disagree" with these strong-arm tactics, with the greatest support for this view coming from the middle class and voters of the Radical Civic Union and the Democratic Center Union. Finally, 15 percent said they "more or less agreed."

Whom Do You Hold Responsible for These Work Stoppages?

Reply	Percent
The government	48
The unions	35

Whom Do You Hold Responsible for These Work Stoppages?

Reply	Percent
The government	48
Other (economic situation, election campaign, Peronists)	10
Don't know/no answer	13
Average mentions	1.1

The question as to who is responsible for these work stoppages revealed a similar finding, as 48 percent blamed the government and 35 percent the unions.

Social Benefit Funds

Who Ought to Manage the Union Social Benefit Funds

Reply	Oct 87	Apr 88	Aug 88	Nov 88
The workers themselves	33	35	30	30
The unions	23	23	20	25
The workers, with government oversight	—	—	19	11
Tripartite control (government/management/workers)	21	26	18	21
The government	5	7	3	4
Other	2	1	1	1
Don't know/no answer	16	8	9	10

Only 4 percent of the population feels that the government should manage the union social-benefit funds, while 21 percent say control should be tripartite (government-management-workers). Thus, the view that these funds should remain in the workers' hands is still in the majority, although the respondents spontaneously mentioned at least three categories: "the workers themselves" (30 percent), "the unions" (25 percent) and the "workers with government oversight" (11 percent).

* ECLA Reports on Latin American Economies
33480144b Buenos Aires SOMOS in Spanish
15 Mar 89 p 47

[Text]

The South on the Skids

The average income of Argentines in 1988 was 15.2 percent lower than at the beginning of the decade. The average real wage was down 2.1 percent from 1980 and 23 percent from 1984. These and other no less unfavorable indicators about Argentina's economy are well in line with the overall data for Latin America so far this decade.

According to the most recent ECLA [Economic Commission for Latin America] report, Latin America's economic crisis took on "dramatic overtones" in 1988. The per capita GDP fell again and was barely equal to 1978's; thus, the standard of living worsened strikingly in comparison to the North and the dynamic industrial economies of the Orient.

Inflation doubled in just 1 year and averaged a shocking 470 percent (weighted by population) in 1988. As a result, ECLA notes, "the elusive goal of resuming sustained, stable economic growth drifted even further away." Eight straight years of decline show that the crisis has taken on its own dynamic, which is reflected in increasing inflation, lower investment and a narrowing of the room to maneuver in making economic policy.

In 1988 Latin America transferred a net \$28.9 billion overseas, almost 75 percent more than the previous year and one of the largest amounts since the debt crisis erupted in 1982. Hence, "the increase in the value of exports, stemming from the rise in the international prices of nonenergy commodities and from the considerable expansion of export volumes, did not spur faster growth, inasmuch as, except in a few countries, a smaller proportion of the increase in external sales was earmarked for higher imports..."

ECLA indicates, however, that it was not the shortage of foreign exchange that limited growth, but rather the heavy deficits in public finances and the acceleration of inflation, including the attempts to control it.

According to preliminary estimates, Latin America's GDP edged up just 0.7 percent in 1988 and was thus down 1.5 percent per capita, which means that it is 6.5 percent lower than in 1980. Economic activity was stagnant in Brazil and expanded slightly in Argentina and Mexico, while the most spectacular drops took place in Panama (down 25 percent), Nicaragua (down 9) and Peru (down 7.5). Per capita income was down in 13 of the 22 countries on which information is available.

Paradoxically or not and as in 1987, stagnation and higher inflation coincided with improvements in foreign trade. In spite of the fall in the price of oil, Latin

American exports were up 15 percent and topped the \$100 billion mark for the first time. Since imports rose only 10 percent, the trade surplus widened to \$27.8 billion. This surplus financed almost 85 percent of the net payments of interest and profits, even though these remittances were up by 10 percent, mainly because of the rise in interest rates (the prime rate and LIBOR [London Interbank Offered Rates]).

Capital Not on the Horizon

This encouraging sign was tarnished by a sudden drop in net capital inflow. "This inflow," the ECLA document indicates, "which in 1987 had made up for the huge contraction over the 4 preceding years, fell to less than \$4.3 billion and was thus equivalent to just 30 percent of the loans and net investments received in 1987."

Since the contraction in external financing was much greater than the drop in the current-account deficit, the bottom line on Latin America's balance of payments suffered a sharp reversal. After a surplus of \$4.1 billion in 1987, the balance plunged to a deficit of \$3.3 billion in 1988.

With less capital coming in and with more remittances of interest and profits going out, the net transfer of funds outside the region grew spectacularly. After skirting \$16.6 billion in 1987, it shot up to near \$29 billion last year. Latin America has thus been parting with almost 25 percent of the earnings from its exports of goods and services or 4 percent of its combined GDP (which, as we saw, was up just 0.7 percent) for the benefit of the developed world.

Capitalization programs helped to lower the region's total debt from \$410 to \$401 billion. The debt/export ratio, which in 1986 had hit a historic high of 4.25 to 1, fell in 1988 to 3.4 to 1. But the rise in international interest rates offset this improvement, which stood alone on the bleak landscape of Latin America's economy.

Latin America: Inflation and Shrinkage (in percent)		
Country	Per Capita GDP 1981-1988	Retail Inflation in 1988
Latin America	-6.6	472.8
Argentina	-15.2	372.0
Brazil	+1.5	816.1
Colombia	+11.1	27.7
Chile	+1.9	10.9
Mexico	-10.6	70.5
Nicaragua	-27.4	7,778.4
Peru	-13.6	1,307.1
Venezuela	-14.6	31.2

Source: ECLA

* Peronists Reexamine Original Debt Proposal

33480144c Buenos Aires *AMBITO FINANCIERO* in Spanish 16 Mar 89 p 55

[Text] Peronism presented its proposal for dealing with the foreign debt yesterday. It was actually a clarification of ideas, most of which are well known. Justicialism's

real success yesterday, however, was the forum it chose to clear up the debate and the audience that it managed to bring out. The gathering was held in the main hall of the Department of Economic Sciences, and the first rows of seats were reserved for prominent entrepreneurs and businessmen. Very few missed the appointment, and the oldest business groups sent their representatives. Among the leaders who were seen were: Roberto Sammartino from the Construction Union; Carlos Tramutola from Siderca; Martin Paez Allende from Shell, and Guillermo Alchouron from the Rural Association. At the speakers table were Antonio Cafiero, Eduardo Curia, Eduardo Bauza, Rodolfo Frigeri, Jose Maria Vernet and Guido Di Tella. Conspicuously excluded: Domingo Cavallo.

Curia's was the most interesting address, as he outlined Peronism's first detailed response to the Brady plan for dealing with the debt. The economist began his performance by contending that in comparison to previous approaches "the Brady plan is obviously a step forward, inasmuch as it explicitly acknowledges the idea of reducing the principal somewhat." As far as Curia is concerned, "the plan aims at a mechanism for buying back debt obligations by taking advantage of the differences in rates." He then posed a series of questions about the proposal by the U.S. secretary of the treasury; they mainly had to do with the extent and quality of the financial aid that would accompany the plan and the conditions of this debt relief. He also wondered to what extent the idea of a debt reduction will represent a future stumbling block to fresh funds, and lastly he stressed that the monitoring of the economic policies of the debtor nations by international organizations must not hinder the growth strategies that each country decides on.

Vernet was in charge of officially inaugurating the speeches, and he gave assurances that Peronism would come to terms with all segments of society on the best strategy for sitting down and discussing the debt problems with creditors. He spoke of the need for long-term accords, because short-term negotiations on the problem "have detracted from the Argentine economy's stability and made forecasting harder." The governor of Buenos Aires then took the floor; he had to forego inaugurating the discussion because he arrived 40 minutes late. Wearing his usual light-colored suit, Cafiero cautioned that "Argentina's social peace, democracy and economic development are linked to the debt problem." He then summarized the 1982-1988 period, explaining that the country had spent \$20 billion of its trade surplus to pay part of the \$35 billion in interest that had accrued on the debt. Towards the close of his address he announced that Peronism's goal would be "to turn part of the trade surpluses that have so far been used to pay overseas obligations into domestic investment." He clarified, however, that Justicialism "has never denied the existence of those obligations nor will it simply declare that the debt is uncollectible."

Di Tella and Frigeri were in charge of closing the discussion. The former stated that Argentina has gotten to a point at which there is no longer any debate as to

whether the debt should or should not be paid; "rather, the obligations, posed on the traditional terms, simply cannot be met." Like Vernet and Cafiero, he asserted that Peronism would not knock over the table and that all efforts would go towards a reassessment of roles in the Argentine economy, accompanied by a realistic negotiation with creditors. Finally, it remained for the Buenos Aires economy minister to comment on the "agenda" that included today's discussion of the debt. He simply outlined what Peronism understands the current situation to be and explained that the best solution is to seek accords that would allow the economic authorities who emerge on 10 December to hammer out a growth plan.

New Morning Paper To Appear 13 April
PY1104193289 Buenos Aires Domestic Service
in Spanish 1600 GMT 11 Apr 89

[Excerpt] [Passage omitted] A new morning newspaper, NUEVO SUR, will be on the streets beginning Thursday, 13 April. Eduardo Luis Duhalde will be the director of the newspaper. [passage omitted]

Brazil

Further on End of Carumbe Jail Mutiny
PY1104192889 Rio de Janeiro Rede Globo
Television in Portuguese 1600 GMT 11 Apr 89

[Text] The 30 people who were injured during the occupation of Carumbe Penitentiary are still hospitalized at the Emergency Department of Cuiaba Hospital.

According to a report by the Security Secretariat, 13 people were killed—11 prisoners and 2 policemen. The rebellion started in the afternoon of 9 April and ended yesterday when the police decided to storm the penitentiary. During the 40-minute shoot-out the cries of children, prisoners, and policemen could be heard. The rebellion caused much damage, and the director's office and the penitentiary files were set on fire.

Security Secretary Hilario Moset has reported that the prisoners will be taken to other jails. The main leaders of the rebellion are among those killed during the shoot-out.

'Tricks' To Gain Nuclear Technology Disclosed
PY1104164889 Rio de Janeiro O GLOBO
in Portuguese 9 Apr 89 p 9

[Text] In a short period of time Brazil achieved the capability to enrich uranium to a high percentage. As recently as September 1987 President Jose Sarney announced, with undisguised pride, that the country was able to enrich uranium to 1.2-percent. According to a nuclear sector source in the United States, Barzil managed to progress rapidly thanks to tricky maneuvers. Tricks were used to prevent the United States from blocking any stage of the development process. Had that happened, Brazil could have been delayed, by a decade, in acquiring the technology.

The source revealed that "it became necessary to obtain equipment, but it was impossible to obtain it from the United States, Great Britain, the FRG, or even France. The option was to seek the equipment in Sweden. It was bought in component form, to be assembled in Brazil. These components were smuggled into the country. To avoid suspicion the import documents detailed the components as parts for another machine. Many components came in described as tractor parts."

In confirming the progress that Brazil has just made, Rex Nazareth said that the U.S. Government probably knows that Brazilian scientists have managed to get the necessary equipment.

Nazareth added "the catch is that it has no way to prove it. I will not say a word about it, even under torture! Perhaps some day, when I write my memoirs, I will reveal just how it was done."

The great concern of the United States is that Brazil has never signed the Nuclear Nonproliferation Treaty, and it continues to be disinclined to do so. Among other things, the signing of that treaty would grant international inspectors the right to periodically oversee the country's nuclear installations. This is why a thick barrier has been erected against the transfer of technology from the United States and its great European allies to Brazil.

The exchange of highly important information is subject to severe censorship. Since 1979 when it was secretly initiated jointly with the CNEN [National Nuclear Energy Commission], the so-called Parallel Nuclear Program has achieved the production of enriched uranium in the IPEN [Nuclear and Energy Research Institute] laboratories at the Sao Paulo University. To achieve this the Brazilian Navy resorted to several tricks to obtain the required information.

One of those tricky moves was to send technicians, physicists, and engineers on courses and to conduct research in the nuclear area at various U.S. universities.

An unidentified source connected with the nuclear program has said: "Right now there are six or seven people, sent by the Navy, studying in the United States."

The same source added: "For us any piece of information is essential. After all, we are alone in this race. I mean that no one is helping us with technology, and everyone is withholding it from us."

Further on Nuclear Plants
PY1104182889 Rio de Janeiro O GLOBO
in Portuguese 9 Apr 89 p 9

[Text] Rex Nazareth Alves, the chairman of the National Commission for Nuclear Energy (CNEN), has stated that Brazil has already achieved the technology to join the ultrasensitive club of countries that manufacture nuclear

plants for a \$50-billion market. Nazareth added that to make this a reality, Congress needs only to make the political decision of beginning such a nuclear program.

Brazil will thus be able to immediately build nuclear mini-plants capable of generating between 200 and 400 MW of electricity, sufficient to meet the demands of small cities, or for isolated industrial pilot-plants. These mini-plants will reportedly be identical to Angra I, of the PWR [Pressurized Water Reactor] type, except that they will be compact. The Angra I nuclear plant has a capacity of 600 MW, and the capacity of Angra II and III is 1,200 MW.

We are already capable of building nuclear mini-plants, and we are already building a very small reactor which provides a few megawatts. It is called RENAP 2, and this is where our technological efforts are being applied. The RENAP 2 is a spinoff from the reactor built to propel nuclear submarines, which will also serve to generate electricity.

In addition to providing the country with an alternative power source for isolated regions and for gaining experience with which to build large nuclear plants, the nuclear mini-plants will allow Brazil to have a supply of plutonium. This nuclear waste, in the case of the nuclear plants built in Angra dos Reis, is under the strict control of the International Atomic Energy Agency (IAEA), of the United States, and of the FRG, which are the manufacturers of reactors.

The plutonium from the future nuclear mini-plants will remain in Brazil. The strategic importance comes from the fact that this plutonium can be used to build nuclear bombs, a theory categorically rejected by Nazareth. The plutonium can also be used to develop the technology needed to build fast breeder reactors.

Fast breeder reactors (refrigerated with sodium) are being developed jointly with Argentina, and this could increase the demand for plutonium by up to 50 times.

The CNEN decision to take the nuclear mini-plants project to the Council for Nuclear Policy [Conselho de Política Nuclear] that will in turn submit it to Congress, is based on the concept that the energy supply in Brazil must meet widely divergent energy needs.

Thus, small reactors would produce only a few megawatts of energy (to be used in small cities), up to 400 MW.

Another important factor is that a mini-plant will cause less damage to the environment than, let us say, a hydroelectric dam. In Balbina we had to create a huge lake in the Amazon to generate 180 MW. We cannot cover the entire region with water. Mini-plants could easily meet energy demands in the Amazon region, Nazareth stated.

He went on to say that if a political decision is made today in favor of the mini-plants, they could be operational in 8 years at the most.

Sarney on Economic Plan, Political Future
PY1104034889 Brasília Domestic Service
in Portuguese 2200 GMT 10 Apr 89

[Text] President Sarney believes that this is not the right time to liberalize the price freeze.

In an interview with Television Ribamar of Sao Luis, the president said he is confident the government's economic officials will choose the most appropriate time to promote the price freeze liberalization. He added that thus far the results obtained by the summer economic plan are positive.

[Begin Sarney recording] We are experiencing a 38-percent inflation rate. We reached (?the point of being) threatened by an inflation rate that would have pushed our economy into a very difficult situation, compromising our institutions. Unfortunately, the inflation rate is not as low as we wanted. Nevertheless, we must agree that to reduce a 40-percent or 38-percent inflation rate [words indistinct] is a great victory. [end recording]

In President Sarney's opinion, democracy is his government's greatest achievement.

[Begin Sarney recording] My administration takes credit for the country's greatest achievement, namely establishing democracy in the country and a pluralist, free, and open society—one of the most liberal societies in Brazilian history.

I believe we are making progress in both the institutional sector and the economic sector. [end recording]

The president also recalled that difficulties indeed exist, but that Brazil is learning to live with them.

In another interview, with Television Difusora of Sao Luis, President Sarney ruled out the possibility that he will run for the Senate, stressing that Maranhao Governor Eptacio Cafeteira is the right person to run for the Senate.

[Begin Sarney recording] I do not intend to run for the Senate. Governor Eptacio Cafeteira—who is governing well, doing a great job, an extraordinary job for our homeland, hand-in-hand with us, and who, of course, will be consecrated by the decision of the Maranhao State people—will be Maranhao's candidate for the Senate.

However, I will continue voicing my opinions in the country. I will continue being a politician, a former president of the Republic. I will have the experience of a former president. Therefore, I will have to use that experience and that condition to serve the country. [end recording]

The president of the Republic stated that his political experience entitles him to keep up with the projects that are of interest to him.

Creditor Banks To Release \$600 Million 13 Apr
PY1104035489 Rio de Janeiro Rede Globo Television
in Portuguese 2300 GMT 10 Apr 89

[Text] The creditor banks should release \$600 million to Brazil next Thursday [13 April].

This announcement was made in New York by William Rhodes, the president of the committee of creditor banks, and Sergio Amaral, the Brazilian foreign debt negotiator.

The \$600-million disbursement is part of a \$5.2-billion package agreed upon between Brazil and the creditor banks. Another \$600-million disbursement should be released in late May.

Chile

MIR Rejects Aylwin, Desires Leftist Candidate
PY1104222289 Santiago EL MERCURIO in Spanish
1 Apr 89 p C-5

[Text] On 31 March, Movement of the Revolutionary Left [MIR] spokesman Jecar Neghme said that Christian Democratic Party [PDC] presidential hopeful Patricio Aylwin "is not the best representative" of the leftist sectors, adding that these sectors must propose an alternative candidate.

Neghme said that the left made a mistake when it demonstrated its willingness to support a candidate from another sector. He urged the leftist sectors to adopt a more independent attitude. "There is still time," he said.

During a news conference, Neghme said that discussions between the interior minister and opposition leaders on possible amendments to the constitution are "diversionary maneuvers," used to "gain time." He said the government is not "really willing to introduce the changes demanded by Chileans."

Concerning the accords that the national renewal and the opposition coalition have reached on constitutional matters, Neghme stressed that they "help, but are very limited."

Asked about presidential hopefuls, Neghme stressed that "the candidate must be democratically elected, with the participation of the rank-and-file and of party supporters."

He said: "We believe that the left must adopt an independent stance on these issues. The left has made a mistake. It should have adopted a more independent line of action to adopt a single position on electoral matters."

He emphasized that the left must propose its own presidential candidate because, in his opinion, there are qualified people within the movement and there is still time to do it.

'Terrorists' Kill Carabinero Officer
PY1104214589 Santiago Domestic Service
in Spanish 1700 GMT 11 Apr 89

[Text] Noncommissioned officer Juan Carlos Amash Iturrieta, 24, is a new Carabinero martyr. Amash was killed by three individuals who, moments before, held up a shop in downtown Talca. Amash was born in San Felipe and worked at the Carabineros Civilian Talca Commission. He was scheduled for promotion to the rank of lieutenant on 15 April. The attack took place in the city's busiest downtown area. Many nearby shops closed their doors at the sound of gunshots. A few minutes ago Carabineros delivered an official communique on the regretful incident:

Talca Prefecture Communique No 14:

The Chief of the Third Central Zone Reports the following regarding the terrorist attack on Talca Prefecture Carabineros personnel:

At 1120 today, two groups of five individuals armed with handguns and automatic weapons were getting ready to hold up a store located on 1780 Uno C Street when Prefecture Civil Commission personnel surprised them and ordered them to surrender.

The police group headed by Juan Carlos Amash Iturrieta was attacked from different locations at the same time. Amash died instantly and three other group members were seriously wounded.

After the attack, the criminals dispersed in different directions. Police are following several leads in order to arrest those responsible for the attack. The new martyr was 24 years old, single, and had served the institution for 5 years.

Sources indicated that two people were arrested, one of whom was wounded. Those arrested are being detained at the police prefecture. Meanwhile, other Carabineros special and investigative units are carrying out a dragnet to catch two heavily-armed individuals who escaped the scene of the crime.

Extremist Trained in Cuba
PY1204024089 Santiago Radio Cooperativa Network
in Spanish 2300 GMT 11 Apr 89

[Excerpt] The alleged killer of Carabinero noncommissioned officer Juan Carlos Amash Iturrieta, 24, during a shoot-out in downtown Talca today has been described by police as a criminal subversive who has confessed to have taken part in a 6-month training course in Cuba. The man was carrying a Uruguayan passport when arrested.

The individual is being treated for a leg wound at Talca Hospital. His name was not revealed because, according to the chief of the Carabineros Third Central Zone—quote—these extremists use many identities—unquote.

Amash's funeral service will be offered by Assistant Bishop Juan Pablo Ifamar at Talca Carabineros Prefecture. Amash will be buried at his birthplace in San Felipe at the request of his parents.

The three other Carabineros wounded in the incident are recovering at Talca Regional Hospital. They are: First Corporal Luis Contreras Guerrero, Second Corporal Jose Hernandez Perez, and Letelier Paez Hernandez. [passage omitted]

Police Clash With Terrorists at Curico

PY1204024489 Santiago Radio Cooperativa Network in Spanish 2300 GMT 11 Apr 89

[Text] Carabineros from the Itahue Precinct and extremists clashed at approximately 1645 today near km 218 of Highway 5. A civilian was killed in the incident. Several policemen and an extremist were wounded.

The incident began when police boarded a local bus searching for terrorists involved in an earlier incident. The wounded Carabineros are Michael Rivas Jara, who was sent to Talca Regional Hospital; Juan Espinoza Avila, 32, from the Itahue precinct; and Juan Francisco Ganan Urbina, 21, from the 4 Molina precinct. The latter three men are being treated at (Fate) Hospital in Curico.

One of the terrorists was wounded while trying to escape. He is presumed to be Juan Andres Ordenes Andrade, alias Daniel, an FPMR [Manuel Rodriguez Patriotic Front] militant. He is being treated at Curico Hospital. His condition is not very serious.

The civilian killed is presumed to be Ricardo del Carmen Narvaez Ortiz. The terrorist that is being treated at Curico Hospital is suspected of being one of the killers of Carabinero noncommissioned officer Juan Carlos Amash Iturrieta, who was killed in Talca this morning.

Carabinero Ganan Urbina remains in very serious condition and the Curico Hospital has asked for blood donations for him all afternoon.

Police Break Up Communist Cell in Iquique

PY1104184689 Santiago Domestic Service in Spanish 1030 GMT 11 Apr 89

[Report from Radio Nacional in Iquique by Ramon Gallegos]

[Text] Five members of the Lautaro fighting unit of the Young Communists have been arrested here in Iquique.

Responding to a call by personnel of the (EPERBAS) fishing company, a squad of the 1st Carabineros Precinct went to that company to investigate a report of five intruders who ran in various directions when the police arrived.

The policemen fired their weapons to intimidate the intruders and managed to arrest them after a short hunt.

The detainees are: Aracelli Fuenzalida Sanchez, 28, of 500 Genaro Gallo Street; Alberto Aguirre Contreras, 17, of 166 Juna Martinez Street; Ernesto Caucario Reyes, 18, of 869 Ramirez Street; Marcos Troncoso Ibarra, 16, of 1058 Los Robles Street of the La Victoria shantytown; and Leonel Ayala Rivera, 20, of 1424 Tarapaca Street.

The four men and the woman are punishable under Law No 18,314, the Antiterrorist Law, because they were carrying explosives at the time of their arrest. They have admitted being members of the Lautaro fighting unit of the Young Communists.

They confessed that they were trying to start a fire at the (EPERBAS) fishing company, evidence of which are eight shoe boxes containing sulphuric acid that were found in the area.

As we reported earlier, the attackers planned to start a fire at the (EPERBAS) fishing enterprise in protest over the bad odor coming from the factory.

The leader of this cell is Leonel Ayala Rivera, 20, of 1424 Tarapaca Street in Iquique. His alias is Pio and his nom de guerre is Ariel.

The terrorists told the police that they received instructions at the San Francisco Church from a woman whose nom de guerre is Lucia.

The only woman who serves on this unit is Aracelli Fuenzalida Sanchez. She was charged with being the lookout. For doing this, she was to receive 500,000 pesos.

The terrorists also confessed to having painted slogans on walls, for which they were also paid by the Communist Party.

PCCh Leader Insunza Returns From Exile

PY1104215889 Santiago EL MERCURIO in Spanish 6 Apr 89 p C-2

[Text] Jorge Insunza, former deputy and current member of the Chilean Communist Party [PCCh] Political Commission, yesterday stated that the PCCh is willing to support a Christian Democratic Party [PDC] candidate in the upcoming presidential elections on the basis of a government program and "a minimum accord for the congressional election."

Insunza, a civilian engineer, who published the PCCh mouthpiece *EL SIGLO*, made these statements yesterday upon returning to the country after 15 years of exile.

Insunza said that the PCCh will openly support the candidacy of PDC members in some districts "in order to prevent the victory of the progovernment sector."

He added that the communists have no special preference on any presidential candidate, but that they are willing to support Patricio Aylwin if he is nominated by the coalition of Political Parties for Democracy.

Asked whether other communist leaders, including PCCh Secretary General Luis Corvalan, will return to Chile, Insunza said that all of them will soon return to Chile.

Insunza lived in exile in the USSR and the FRG. Relatives, friends, and PCCh leaders, among them Mireya Baltra, welcomed Insunza at the airport.

Bomb Explodes in National Treasury Building
PY1104214289 Santiago Domestic Service
in Spanish 1700 GMT 11 Apr 89

[Excerpts] According to Carabineros Major Miguel Huerta, two young extremists placed a bomb in a bathroom of the Republic National Treasury Building on 28 Teatinos Street. Three people were injured and considerable damage was done to the building.

The extremists mixed in with the public and placed the bomb at 1210 in one of the bathrooms next to the information office of the building's first floor. [passage omitted]

The extremists painted slogans on the walls that were signed: Manuel Rodriguez Patriotic Front Youth Command. Carabineros checked the rest of the building but found nothing else.

Col Saravia Appointed Military Household Chief
PY1104223289 Santiago EL MERCURIO in Spanish
6 Apr 89 p C-2

[Summary] Colonel Sergio Moreno Saravia was sworn in yesterday as the new military household chief in Government House. Until yesterday, Saravia was the under secretary of war. Previously he was the president's aide-de-camp. Saravia was born in 1943 and served in the Engineering Regiment No 4 "Arauco," the Military School, the War Academy, the Army Staff, and as a pupil in the Inter-American Defense College in Washington D.C.

Colombia

M-19 Prepares To Leave Armed Struggle
PA1104204689 Madrid EFE in Spanish 0112 GMT
10 Apr 89

[Text] Peace Village (Colombia), 10 Apr (EFE)—The guerrilla 19 April Movement (M-19) is preparing to "abandon the armed but not the political struggle" before July 1990 to participate in the Colombian presidential elections that year, M-19 leader Carlos Pizarro told EFE today.

In an interview with EFE in Peace Village, Pizarro noted that the current negotiations with President Virgilio Barco's government is aimed at creating the necessary conditions to "abandon the armed struggle but continue a political struggle for a more just society."

"The M-19 does not surrender," Pizarro added, "we prefer radical reform over a revolution that would place the country on the verge of total chaos."

According to the guerrilla commander, one of the chiefs of the group, if the dialogue with the Colombian Government, which began in January 1989, does not work, "the M-19 does not lose, Colombia does."

Pizarro and a large number of M-19 guerrillas live in the mountains of Valle del Cauca Department, approximately 450 km from southeast Bogota. They live in a town named Santo Domingo, which the M-19 renamed Peace Village, and the government accepted the new name.

The area near Santo Domingo has been demilitarized and declared a zone free of the presence of the Armed Forces and police.

After 15 years of armed struggle, which will be completed on 15 April, the M-19 "is betting completely on peace to offer Colombians an alternative for a change that will not be violent but radical and permanent."

Pizarro maintained that "the war, although unwanted, has been necessary" to get to this point of negotiations in which the M-19 negotiates with the government from its position as "the valid representative of the best interests of the Colombian people," composed of "leftist, rightist, and the private sectors; the Church; the peasants and Indians; and the urban middle class."

According to M-19 leaders, the newly instituted political struggle is aimed at promoting constitutional reforms that will guarantee a democracy "like Colombia has never seen before."

The M-19 also intends to change "obsolete and provincial" election processes that favor the installation of minority and authoritarian governments and to "clean up" public order organizations so the country can return to a *de jure* system.

"People want this to work, and we have the best disposition," Pizarro said, maintaining that "we do not want a foolish [boba] peace" in which we have no vital space to "continue working for the people."

Pizarro stressed the M-19 "has much to do in the next elections" and that "the election of the next president depends on" the rebel group and its followers.

Ecuador

Police Break Up Demonstrators in Guayaquil March
PA1204013789 Quito Radio Quito in Spanish
2320 GMT 11 Apr 89

[Text] The march organized by former Ecuadoran President Leon Febres-Cordero and his supporters has taken place in Guayaquil without major incident because the small group of demonstrators was controlled by members of the National Police posted along 9 October Avenue, the site of the disturbance. Former President Leon Febres-Cordero, his wife, and several of his close supporters marched down the port city's main avenue for a few minutes and then, according to reports from his neighbors, went to his house. The former president and his close friends have remained inside the house since 1705.

The disturbances in Guayaquil resulted in two injuries. One of the injured persons is 1st Company policeman Luis Castro Roman, who has been admitted to Luis Vernaza hospital. Policeman Castro Roman was shot by one of the demonstrators. The bullet lodged in the right side of his chest. The bloody incident occurred on Boyaca and 9 October avenues. Also injured during the demonstration was a citizen who has not been identified.

Sources close to the government have reported that the National Police did not use firearms during the demonstration. Leon Febres-Cordero's march in Guayaquil began at 1600 with a very small group of persons. The group gathered on Boyaca and 9 October Avenues. The demonstrators began their march, but were immediately controlled by the police with the use of tear gas and water. Febres-Cordero's wife was also present on 9 October Avenue; she walked a little way to meet her husband. They then left the area where the disturbance took place.

In conclusion, the demonstration planned by the Social Christians and former President Febres-Cordero's supporters resulted in two injuries.

Paraguay

Communique on Argentine Foreign Minister's Visit
PY1104190789 Asuncion PATRIA in Spanish
11 Apr 89 p 6

["Text" of "News Communique" released by Foreign Ministry in Asuncion on 10 Apr 1989 on visit of Argentine Foreign Minister Dante Caputo]

[Text] In response to an invitation from Paraguayan Foreign Minister Luis Maria Argana, Argentine Foreign Minister Dante Caputo visited Asuncion on 10 April 1989.

The Argentine foreign minister, who was declared an official guest of the Paraguayan Government, met at Government House with the president of Paraguay, Division General Andres Rodriguez. During this meeting, Dante Caputo delivered a personal message from Argentine President Raul Alfonsin.

Within the framework of the currently excellent bilateral relations, the two foreign ministers announced with great pleasure that the Argentine and Paraguayan presidents will meet on 26 April at the Yacyreta dam construction site when the Parana River is diverted.

The Paraguayan foreign minister reasserted his government's firm willingness to continue the current democratization. He noted the great value attached to Argentina's immediate recognition of the new Paraguayan Government.

The Paraguayan and Argentine foreign ministers expressed the firm decision of their respective governments to begin a new stage in the relations between the two countries and to work to resume close cooperation in all fields. They also expressed their willingness to draft the agreements and understandings necessary for effective integration of the two nations.

The two ministers held working meetings, during which they discussed issues of bilateral interest regarding the use of port infrastructure in Zarate, Argentina; progress in the Yacyreta binational project; the demarcation of the Argentine-Paraguayan border; the physical integration of the two countries; and the establishment of transit facilities in Argentina for the settlers of the Pilar-Puerto Fotheringham (Puerto Cano) area.

To increase bilateral ties in the political, economic, commercial, financial, cultural, educational and tourism fields, the two foreign ministers agreed on the need to establish a Political and Integration Coordination Commission, which will be headed by the two foreign ministers.

Foreign Minister Argana expressed the solidarity of the Paraguayan Government with Argentina's claim of sovereignty over the Malvinas Islands. He also expressed his government's support for the Latin American community's position for finding a prompt and peaceful solution to the conflict through negotiations between the two parties involved.

After thanking the Paraguayan people and their government for the way he was treated during his stay in Paraguay, Foreign Minister Caputo, on behalf of his government, invited Foreign Minister Luis Maria Argana to make an official visit to Argentina. This invitation was accepted by Argana.

Asuncion, 10 April 1989.

8 Parties Register at Electoral Board
PY1104193489 Asuncion HOY in Spanish
11 Apr 89 p 9

[Text] Of the eight political parties that have registered at the Electoral Board [JEC], the Authentic Radical Liberal Party (PLRA) has only been registered "temporarily," because, according to the JEC, it has not fulfilled the proper requirements. The PLRA has until 1800 of 11 April to meet all those requirements.

According to JEC sources, the PLRA did not comply with Resolution No 12 issued in 1989 regarding the "number of registration certificates; the specification of electoral districts; and the date the certificates were issued. The PLRA has been accepted only temporarily, because they have not fulfilled those requirements."

JEC spokesman Aguilar has said: "The data is incomplete. For example, the PLRA provides the number of the registration certificate but it does not specify the electoral district the number belongs to, or the date it was issued."

He added: "Except for the PLRA, all the other parties have fulfilled the requirements." Aguilar said that the following parties registered yesterday at the JEC: the United Radical Liberal Party (PLRU); the Radical Liberal Party (PLR); the Christian Democratic Party (PDC); the Febrerista Revolutionary Party (PRF); and the PLRA.

According to Aguilar, the Blanco Party (PB) "submitted a note stating that it will not participate in the elections, and it urges all its members to vote for General Rodriguez."

The JEC approved the numbers assigned to each party list. Therefore, list No 1 corresponds to the Colorado Party; list No 2 corresponds to the Liberal Party; list No 3 corresponds to the PRF; list No 4 corresponds to the PLR; list No 5 corresponds to the PDC; list No 6 corresponds to the PLRA; list No 7 corresponds to the Humanist Party; and list No 8 corresponds to the PLRU.

The other parties, (the Workers Party; the National Socialist Party; and the True Liberal Party) will not participate in the upcoming elections.

Asked about the "temporary registration," PLRA Leader Adalberto Mongelos said: "A little detail regarding the date of the registration certificate and the electoral district is missing. I am already working on this."

Mongelos added that today the PLRA will again go to JEC headquarters with all the requirements in hand.

Conference Creates New Labor Organization
PY1104213989 Asuncion EL DIARIO in Spanish
10 Apr 89 p 14

[Summary] Representatives of 62 unions and organizations from Asuncion and the country's interior who attended the National Conference of Union and Peasant Organizations, held on 9 April, have decided to create the Sole Central Organization of Workers [Central Unica de Trabajadores—CUT]. The national conference was sponsored by the Workers Interunion Movement.

Venezuela

Perez on 'Face the Country' TV Program
PA0804161989 Caracas Venezolana de Television
Canal 8 in Spanish 2244 GMT 6 Apr 89

["Face the Country" program with President Carlos Andres Perez and foreign and local reporters in Caracas—live or recorded]

[Text] [Announcer] Good evening, ladies and gentlemen. The Central Information Office presents the special program "Face the Country" with President Carlos Andres Perez and several media representatives.

[Moderator] Good evening, ladies and gentlemen. Today we will host the second "Face the Country" program with President Carlos Andres Perez, who recently returned from an interesting trip to the United States. He will give us some details of that trip. Here is President Perez.

[Perez] Distinguished journalists, for me [words indistinct] it is a pleasure to have you here, because your presence provides a very good pretext to address all my compatriots and foreigners living in our country, who share with us our struggle for development and public welfare. Both the local and foreign media have heard a lot about my trip to the United States, mainly because of its magnificent results. I do not need to waste too much of your time with details on that trip, which will be so beneficial for our country's present and future.

You know that distinguished Latin American figures attended the Atlanta conference convened by former U.S. President Carter and presided over by Carter and former U.S. President Gerald Ford. Latin American leaders, foreign affairs ministers, U.S. congressmen, bankers, and politicians participated in that conference. I had the honor of being joined in representing Venezuela by former Venezuelan President Rafael Caldera, who, as the press reported, played a very crucial role at the meeting, particularly in proving to the United States—and specifically to former Presidents Ford and Carter and to U.S. State Department Secretary James Baker—that there is unity, solidarity, and a unified mission in Venezuela, despite any political differences we might have.

My colleagues and I met with President Bush over a very pleasant breakfast at President Bush's private quarters in the White House. The results of that meeting were extraordinary. Venezuelans can now say that we are definitely heading toward a solution to the serious foreign debt problem. I am, of course, not saying that our problems will disappear completely. We must continue to meet our difficult obligations. Our debt, however, will surely be reduced by 50 percent and the service on the debt by over 50 percent. That will allow us to direct our resources toward meeting our obligations to pay the service on the debt. The flight of capital from Venezuela will be controlled, and that will help us strengthen our economy, invest in social programs, and improve the well-being of the disadvantaged, who are now facing so many difficulties and misery.

The well-known Brady Plan, which reflects President Bush's new foreign debt policy, opens the way for Venezuela to become one of the first nations to benefit from this positive trend demonstrated by industrialized nations in their attempt to understand the Latin American situation. However, we must continue to struggle.

I must add that I spoke not only on behalf of Venezuela—which is, of course, my primary obligation; I spoke on behalf of Latin America, presenting an overall proposal for Latin America. I am submitting a report to the Group of Eight presidents to inform them of our achievements at that conference.

You are aware that the day after I returned to Venezuela, the provisional IMF committee, which comprises the seven most industrialized countries of the world, held a meeting. Representatives at that meeting fully supported the Brady Plan, so now the path is clear for the long-anticipated solution. To those who take a critical look at the relations between the industrialized and the developing nations, I say that we have won only one battle of the many that we have to wage to ensure decent and respectful treatment for our nations.

[Moderator] Let us begin the question and answer period. We will begin with the foreign reporters. (Harold Olmos) from the Associated Press has the floor.

[(Olmos)] Mr President, how do you interpret the meaning of the [words indistinct] to obtain stopgap loans [passage indistinct], or is it true that the stopgap loan has been put aside in view of the Brady plan [passage indistinct] the stagnation in the [words indistinct]?

[Perez] In my introductory remarks, I said that we have not solved all our problems yet, because our relations with international financial institutions will continue to be difficult for our countries as long as we do not agree on a unified policy. A unified policy would strengthen Latin America's hand in the negotiations. It is true that we still face difficulties [words indistinct]. The creditors are certainly not pleased with the way we are facing the debt problem, for we are seeking a reduction in the debt.

This objective is posing problems for direct transactions between our countries and creditors. However, we presented our position patiently and firmly. We still have not obtained the stopgap loan we requested from U.S. banks and from creditors in general. We therefore are continuing our struggle, and we maintain our serious intention to meet our obligations. We are sure that we will come out ahead. I can give very few details on the process of obtaining the stopgap loan because creditors keep information on direct talks on that matter confidential.

[Moderator] REUTER correspondent [name indistinct] has the floor.

[REUTER reporter] Good evening, Mr President. You expressed your support for the [words indistinct] agreement on Central America [words indistinct] the U.S. Congress. [Words indistinct] the Central American governments' efforts to achieve peace, but the U.S. agreement gives \$40 million in aid to support the Nicaraguan contras when the Central American governments are seeking ways to dismantle the contra camps and to repatriate the rebels. Why then do you consider that initiative, which seems to go against the Central American governments' agreements, to be positive?

[Perez] That is an interesting question. We fully discussed this topic with both U.S. Secretary of State Baker and Bernard Aronson, assistant secretary of state for inter-American affairs. We also discussed this with President Bush over our breakfast meeting.

I can say with satisfaction that I am pleased with the discussions on that topic, because we realized that the U.S. Government has a serious political willingness to continue to have faith in the Central American presidents' agreement and to allow us to be in charge of what is happening in our countries.

The U.S. bipartisan agreement to which you refer is, of course, not everything we would have wanted it to be. We believe that the Nicaraguan counterrevolution must completely disappear, particularly because the Sandinist government has offered to receive in Nicaragua those men belonging to groups that have rebelled against the Nicaraguan Government. The Sandinists have even offered them the opportunity to take part in national agricultural activities.

We must take a historical view of this situation. We must recall that there was a confrontation between U.S. Democrats and Republicans. Republicans supported a policy of maintaining belligerent activities along the Nicaragua-Honduran border, and the Democrats formed a congressional barrier to prevent the approval of new funds to continue the war against Nicaragua.

The U.S. bipartisan agreement proclaims that the war is over. It says that Democrats and Republicans have agreed on a bipartisan policy formed through a compromise between the Democratic policy to end the war in Nicaragua and the Republican hard-line policy toward the Sandinists. That is what we must regard as the basic point.

The bipartisan agreement openly, clearly, and in good faith backs the Central American presidents' meeting and the decisions they made in San Salvador. We have to clearly understand this. This is why I have said that I fully back the U.S. policy expressed in the bipartisan agreement. I am optimistic that this will lead to a negotiated and democratic solution in Central America. U.S. support for the Central American presidents' agreement was crucial. We now have that support. We now have something that we have often angrily demanded: faith in and respect for the Latin American position.

We must not ignore the importance of the visit of Soviet leader Mikhail Gorbachev to Cuba. We are witnessing the continuity of detente and an understanding that all peoples in democratic societies joyously celebrate. Mr Gorbachev's understanding of the Central American conflict can be considered within the context of the Afghan and Angolan agreements and the beginning of talks on the Palestine issue and Middle East problems. We have reason to be optimistic. I repeat: I enjoyed my cordial discussion on Central American issues with President Bush and other U.S. Government officials.

Undoubtedly there are some differences at this time. However, we can say that we agree with current U.S. Government actions. We can also say that as a result of my contacts with Sandinist government leaders, the Sandinists—facing difficulties and tolerating the presence of contras in Honduras—are making an extraordinary effort to continue their efforts for peace and understanding and are looking toward the future Nicaraguan elections.

[Moderator] Alberto Barnica from UPI has the floor.

[Barnica] Mr President, allow me to return to the Brady plan and to seek a clarification. The Brady plan originally called for a 20-percent reduction. You have optimistically said that there is a commitment for a 50-percent reduction. My question is: Does this 50-percent reduction apply to the total amount of the debt, which is \$33 billion, or does it apply only to the public sector's debt of \$26 billion?

[Perez] At the Atlanta Conference and during our meetings with important U.S. Government officials—including President Bush and Treasury Secretary Brady—we presented our doubts and questions regarding the implementation of the Brady plan. Important U.S. officials admitted that the plan leaves room for doubt and questions, and they explained that this policy is very new and difficult to implement because, in

comparison with the very hard-line and inflexible position maintained until now by the United States and other industrialized nations, this plan is truly revolutionary.

They pointed out that solutions would be sought gradually. We have to reach agreements with U.S. banks and with banks from other creditor nations. The large industrialized nations also have to reach an agreement on this among themselves. The IMF's approval of the plan has been a good start. This debt reduction will not take effect in a matter of months or in 1 year; the reduction will probably take effect in 2 years. This is the situation. This is why I say that we have not rid ourselves of the debt nightmare. However, we have restructured the debt so that our development and welfare programs to help the needy will not be hindered. We do not have a definite solution to the problem yet.

[Moderator] Eduardo Lozada from EL UNIVERSAL be the first local journalist to ask a question.

[Lozada] Mr President, there are two news reports that I think Venezuelans would like you to explain. One is a foreign media report stating that Venezuela is going to loan 20 million bolivares, or U.S. dollars, to Trinidad. That is, first Venezuela will grant a loan to Honduras to build an airport in Tegucigalpa, and then it will grant a \$6 million [figure as heard] loan to Trinidad and Tobago.

In addition, former President Caldera has just said in Puerto Rico that there is substantial enthusiasm, that there is a good climate in Latin America for Cuba to join the OAS. What comments would you like to make on these two reports?

[Perez] Well, to me... [changes thought] Do not worry that [Pastoreida] called you fat, because fat people are in fashion now that [Colombian painter] Botero has an exhibit here at the Museum of Contemporary Art. [Perez chuckles]

I was greatly concerned when our media published reports—without ulterior motives but not explaining things well enough—portraying Venezuela as fraught with problems and difficulties, lacking money yet making loans abroad. This is bound to surprise everybody and make people ask what is going on. Therefore, this has to be explained.

We have an oil policy within OPEC. We are struggling and winning the battle over oil prices. To do so, all OPEC countries pursue a policy of cooperation with countries in their region and use oil to pursue it. This is part of an overall strategy to improve our position as an oil-producing nation.

Now then, during my first administration, Venezuela signed an initial oil agreement with Central America and with some of the Caribbean countries to help them at a

time when oil prices were fluctuating at \$25, \$12, \$13, \$15, \$20. Later, when Mexico became an oil-exporting country, the burden was shared, leading Mexico and Venezuela to sign the San Jose agreement. Through this agreement, both countries—which are now facing serious difficulties, but Mexico perhaps is in a worse position than Venezuela—agreed to sell oil to the Caribbean and Central American countries.

These transactions were at internationally established prices, of course, but we facilitated their purchase of oil and agreed to use part of the oil sale profits to give them medium- and long-term credits for certain development programs. This agreement was signed during the Luis Herrera Campins administration. It was continued during President Lusinchi's administration and will continue under my administration. This is a Venezuelan policy which, I believe, no responsible man or woman in our country can reject. These loans are in fact part of the international agreement by which Mexico and Venezuela aid Central American countries. This is the situation.

Of course, the Cuban issue has once arisen and expectation has been aroused by the presence of Cuban leader Fidel Castro at the inaugurations of Rodrigo Borja in Ecuador, President Carlos Salinas in Mexico, and at my own inauguration. Castro is returning to the Latin American scene, and Latin America is expecting a certain Caribbean country to join the international community... [corrects himself] I mean the hemispheric community.

Well, I think this depends more on Castro's willingness than on ours, because we Latin American countries should be sympathetic to the incorporation of all our nations into our system. During my previous administration, when the Latin American Economic System was created, we allowed Cuba to join this organization headquartered in Venezuela.

I believe that progress is finally being made. Now, as we approach the final decade of the 20th century, things are progressing satisfactorily. Agreements to establish detente between the superpowers have been successful. These are times of great optimism for world peace. Therefore, if Chinese and Soviet relations with the United States and Europe have been normalized, why should we not promote normalized relations between Latin America countries and Cuba? I think this would be a positive step and would be in line with the detente launched by President Reagan during the previous U.S. Administration and that President Bush and Soviet leader Gorbachev are pursuing.

[Moderator] It is now EL NACIONAL political correspondent Alfredo Alvarez's turn.

[Alvarez] Good evening, Mr President. There are two matters on which I would like to hear your comments. The first one deals with the speech that served as the basis for your administration, namely, the one in regard

to the credibility of Venezuelan public institutions. Of the many problems you have encountered, Mr President, there are two which I would like to highlight. One is the ongoing investigation of RECADI [Differential Exchange System] and the Military Court's decision to release the people indicted for the regrettable incidents at El Amparo.

I would like to ask you, Mr President, how we can expect a country that has reached this level of conflict to believe in its public institutions when they are being jeopardized by such drastic decisions as these; when their credibility is called into question by things like the RECADI affair; when an order is given for the release of people indicted for a regrettable event, which stunned the nation, even as you were on the campaign trail?

Mr President, I would also like to know your opinion on a second matter, regarding statements challenging the 1939 Treaty with Colombia.

[Perez] Regarding your first two questions, I could say that these matters are not up to me; that they are a legacy handed down to my administration. But no, I do not speak in those terms. There is no break in continuity in the Venezuelan democratic state. We must assume global responsibility.

The RECADI matter was a bad and painful experience in terms of the difficulties faced by Venezuela, the country's inexperience in this regard, and the way in which some decisions had to be made. The RECADI system of allocating preferential foreign exchange was, unfortunately, an invitation to corruption, yet it was the result of circumstances in which we have become involved. This is not a justification but an explanation. Now a scandal has ensued over the way matters were handled in RECADI. What grieves me is that this scandal might not lead anywhere, since the problem in RECADI lies in the system that gave rise to agents (gestores), and the suspicion that those agents might have been in collusion with officials. Thus, it is very difficult to find reliable clues to facilitate the uncovering of criminal activities, which no doubt took place in RECADI dealings.

Meanwhile, the government is providing all possible cooperation with the RECADI investigation. The Comptroller's Office has all the documents and all essential information on the matter. Let us hope that specific cases involving improper or unlawful transactions can be uncovered. That is my personal wish, and to that end I have given my full cooperation. However, it grieves me to know that in Venezuela we continue to suffer from crimes with no criminals. As Alfredo Alvarez pointed out, this is something that destroys the credibility of the democratic system.

I believe that politicians and heads of state, as well as the mass media, should try to emphasize the positive aspects instead of continuing to spread pessimism regarding our

democracy's ability to confront these situations, without, of course, ceasing to point out what is wrong. To do otherwise would be to rid the media of their function as critics, without allowing them to point out our system's weaknesses, the problems of our judicial system, and the National Congress's lack of additional powers to monitor the Executive's activities. I regret to say that, at times, the work of the National Congress becomes diluted by speeches and confrontations—like the ones we witnessed recently—which are unavoidable in any of the world's parliaments. We must not be alarmed by this situation. We need instead to be more consistent in terms of the National Congress's monitorial and investigative powers.

I hope that the RECAD I investigations will yield significant results. This concerns me not only as president of the republic and as a Venezuelan citizen, but also as a Democratic Action member, because some have cast doubts regarding the performance of my predecessor, President Jaime Lusinchi.

I can attest to the fact that—and I am absolutely convinced of this—as the investigation moves forward, it will become increasingly clear that the previous administration tried to clean up these kinds of situations, which came about as the result of the difficult times that Venezuela has experienced in the past few years and that President Lusinchi confronted when he assumed power.

The problem of El Amparo distresses me as much as the journalist from EL NACIONAL said, because in this case it brings us back to the problem of crimes with no criminals. The intent of the court martial was not to free those who were being held. This is just the consequence. The court martial brought the trial process back to the beginning because there were procedural flaws. This is something that has always distressed me in regard to judicial matters: The technicalities often provide a way for some situations to continue while, if allowed to run its full course, the legal process would put a halt to these situations and crimes would not go unpunished.

Technicalities, however, are inherent to the law. It is absolutely necessary to adhere to certain formalities for judicial actions to be effective. This is quite justified, of course, because if formalities were not respected, some tremendously arbitrary actions could result. The negative aspect in this is that formalities can also serve at a given moment to interrupt a process the whole community is keenly interested in.

As president of the republic, I can in no way raise doubts about the actions of the court martial. I think that if anybody is interested in clarifying these matters it is the Armed Forces, because an attempt has been made to question the honesty and dignity with which they perform their duties. To me, this is absolutely clear and a definitive clarification of the events at El Amparo is very important to the Armed Forces.

You may recall, however, how convoluted this process was from the beginning, and the court has found that there were procedural errors that make it mandatory to restart the trial. The problem is that the court's decision also lead to the release of the defendants.

All I can say is that I will use all my moral and administrative powers to restart the Amparo trial as soon as possible. I will provide the necessary resources and instruments so the trial gets back on track. That criminal action must be properly clarified before all Venezuelans and the entire world. Regardless of who is found guilty, those responsible for that action must be punished. That punishment will strengthen Venezuelan democracy and the dignity of all Venezuelan state institutions. That is all I can say about that case.

In regard to Colombia: It would have been correct if the question had been presented in reference to the decision made by President Barco and myself to normalize our discussions regarding common problems and not in reference to any agreement, because we have not signed any international pact.

Unfortunately, some have tried to distort what we did at the Francisco de Paula Santander Bridge in Urena. First of all, we appointed a commission that consists of two high commissioners for each country. Rafael Pizani and Isidro Morales Paul are the Venezuelan representatives. They and the two high commissioners appointed by President Barco will study the current problems between our two countries, including the problem of the Gulf of Venezuela. These commissioners will propose the two governments' methods and procedures to handle and solve the problems. Some have tried to distort the situation and have said that the 1939 treaty will be applicable to the solution of the problem of the Gulf of Venezuela. That is absolutely false. The high commissioners have absolutely nothing to do with the members of the Conciliation Commission of the 1939 Treaty On Arbitration and Conciliation of Conflicts between the two countries.

That is the first thing I must clarify, and you can clearly see that some have tried to confuse this issue, though I do not know why. Perhaps the use of commissioners makes people think of the 1939 treaty commission. In any case, that is one of the decisions we made in Urena.

The meeting of the four high commissioners will not solve the problem, however. It will only establish methods to solve the problem.

The participants in that meeting will present methods to solve the various problems. We have, for example, the problem of our common hydrographic basins, the Gulf of Venezuela problem, and many other problems that concern both Venezuela and Colombia.

There is a treaty that has been in effect since 1939. Our two countries are committed to abide by that treaty. At one point, Colombia demanded the formation of the new conciliation commission, as the treaty allows. We had to agree to that, otherwise a suit for noncompliance with the treaty could have been filed against us before international organizations.

We formed the new conciliation commission as established by the treaty. It consists of two representatives for each country, one of whom must be a foreigner, and a third representative chosen jointly by the two countries. The Venezuelan representatives are Rene Desola, current Venezuelan Supreme Court of Justice president, and former Mexican President Luis Echeverria. The third representative jointly appointed by the two countries is former Spanish President Adolfo Suarez. Both President Barco and myself said that this conciliation commission would not deal with the quarrel over the Gulf of Venezuela based on the observation presented by Venezuela that the treaty itself excludes the discussion of vital issues linked to each of the country's sovereignty and territory. That is the reality.

We also created a Venezuelan and a Colombian commission, which will study the current specific problems that we have in our border areas. The Venezuelan commission is headed by Ramon Velasquez. That is what we did in Urena to stabilize or to normalize the study of the problems between Colombia and Venezuela. We performed an interesting and important task, which is a credit to Venezuela, because we were being accused of refusing to meet our international obligations.

I do not think Venezuelans are weaker, or less strong, than Colombians. I do not think we have reasons to have an inferiority complex. I hear commentaries such as: Colombians fooled President Perez. When will that inferiority complex disappear? For how long are we going to feel this way? We can neither go on blaming everything on our neighbor's bad faith nor believe that they are so intelligent and super that they always succeed in fooling Venezuelans. Let us give some credit to our feelings as Venezuelans. Let us show the world that we can struggle with dignity and that we can face up to things without hiding. That is what we are doing and that is what I, as the Venezuelan president, told all Venezuelans from the Francisco de Paula Bridge in Urena.

[Moderator] A.J. Sanchez, a versatile correspondent from the Valencia newspaper NOTI TARDE, now has the floor.

[Sanchez] Good evening, Mr President.

[Perez] Will you not ask for an explanation about what he means by versatile?

[Sanchez] It pleases me to be described that way.

[Moderator] He describes himself as a versatile correspondent, Mr President.

[Sanchez] I have two questions for you, Mr President. One is a question dealing with a regional issue. The Puerto Cabello-Valencia State Highway is in very bad shape. It is in very bad condition and many organizations are complaining loudly. NOTI TARDE has been dealing with the issue. I have the responsibility of presenting you with photographs so you can see for yourself the condition of the highway.

My second question deals with a national issue. What will your government do in view of the increasing speculation, which mostly affects the poor?

[Perez] I congratulate you for your versatility, because I see you are not only concerned about the country's overall problems, but about problems in your state.

I am very concerned about this particular problem, because many very important highways throughout the country are in bad shape. That is our eternal problem in matters regarding maintenance. We must face the problem firmly and successfully, because we are unable to afford the luxury of spending money on the same work over and over again simply because we do not take good care of it and do not maintain it. You can be sure we will repair that highway as well as others. It is better to keep what we have in good shape than to build new things and let others decay.

As for your second question, I can tell you that we are in fact facing a very difficult and complex situation. It seems that from one day to the next, Venezuelans woke up in a different country and not exactly in Wonderland, which is a land in a children's story we all know, Alice in Wonderland.

Ours is a very rough and coarse land. Thanks to our oil wealth, Venezuelans succeeded in getting around difficulties and problems. We went ahead without trying to strengthen our economy on a solid foundation. We are all responsible for that, but there came a time when it was no longer possible. Oil prices have declined, we have to deal with a huge debt, and our international currency reserves are exhausted. We can no longer look here or there for resources to patch up or prevent a crisis. Now we are facing the inevitable.

Well, now is when we are going to exhibit the courage and ability of Venezuelans, which we have exhibited throughout our history in solving our problems.

Now we are facing the truth and we are not going to deal with it half way. We are going to face it as it is. That is what I did. I told the country the truth: We are now going to take some unavoidable measures that are going to solve the country's problems, that will create confidence in the future, and that will open secure paths for economic stability and sustained progress. However, there is

a price to be paid for all this at the beginning. Unquestionably, establishing a single exchange rate to end the multiple exchange rate distortions—which gave rise to RECADI—is one of the measures.

There you have what the Venezuelans are experiencing today. Well, this has caused a problem that has undermined the foundation of our economy, which was not well laid in our country. Prices have soared. What we have to import, which is a great deal, and previously cost us 1 bolivar, now costs us 35 bolivares. This affects the entire economy. However, to satisfy some situations, the government pays subsidies to prevent the people from having to bear the load of 35 bolivares instead of 1 bolivar.

Here we have a basic food basket, which will increase in price, but not to the extent that it could increase if the prices were freed. This is one of the compensatory measures that the national government has taken as a result of the situation. However, there are other problems. We cannot continue with the artificial price controls because we know that they have always been evaded. We must make everyone face up to his responsibilities, control what we call a small food basket of goods that are fundamental for the existence of Venezuelans and that we can control. However, we cannot control 1,000 or 2,000 different prices.

Therefore, we will make all of the country's sectors face up to their responsibilities. Now the neighbors, the consumers, the people must know what they are buying and what they are not buying, and they themselves will establish a way to stop, prevent, destroy, and confront speculation. The businessmen must also face up to their responsibility and know that we cannot continue playing a swindler's game. They must be sincere or they will suffer from fewer sales and rejection by the community.

That is why we placed the Consumer Protection Agency in the hands of a community leader, Mrs (Alicia Cervati), and we issued a decree giving the neighborhood associations the power to maintain official control on prices and speculation. Now I am planning a national congress of neighborhood associations to establish on firm and specific bases how the neighborhood associations are going to intervene in price control matters in their own interest.

Unquestionably, at the very beginning there is a certain ability among the Venezuelans to play it smart. They will be thinking that this will not last long, that President Perez will back off, and that this situation has to be taken advantage of. They will be making the mistake of speculating. This will not last very long. We are going to put controls on this situation.

Today's newspapers published on the front pages these frightful photographs of hooded people standing beside burning buses and trucks. How can the Venezuelans accept this situation without indignation? Buying a bus

today costs us millions; buying a car today cost us hundreds of thousands of bolivares. What is more, we have to use foreign currency because these vehicles are produced abroad. This is very unpatriotic and the Venezuelans cannot view this situation passively.

I will not run out of patience. The rights of Venezuelans will be fully respected, but we will not tolerate current abuses. We must truly guarantee calm for all Venezuelans.

I am referring to profiteering, because the pretext seems to be a legitimate one; the pretext is profiteering. However, profiteering cannot be fought by burning the assets of the country or making it poorer.

This contrasts with the dignified and responsible attitude displayed by residents of new housing developments who purchased homes and are now running the risk of losing them because of high interest rates. They organized civic protests, distributed leaflets, demonstrated in their neighborhoods, and explained their situation to the government.

How can we deny these citizens the right to do this? Quite the contrary, we are thankful to them, because this allows the government to exert the necessary pressure on segments of the private economy to make them understand the sacrifices that we must make.

Last night we participated in a very important activity here. I met with bankers, and together with the ministers in charge of the economy, we expressed to them our profound concern over the situation facing low-income citizens who are paying mortgages on the homes they have purchased. We told them that the government is willing to lend a hand and make a sacrifice in the form of a subsidy, because that is only just since we cannot subject these Venezuelan families to this situation.

However, we also told the bankers that they must also show a willingness to cooperate and make sacrifices to stop, if nothing else, a mostly unjust propaganda effort launched against the banks. Yesterday, the president of the Banking Association, the president of the Economic Council, and other banking officials announced that we had reached a consensus accord to fix at 15 percent the interest rate on mortgages of homes valued at up to 1.5 million bolivares.

This shows that the government is not failing to support the economy on firm and secure bases and that it is also openly cooperating to solve social problems as they arise. Today, all those who pay mortgages on homes valued at up to 1.5 million bolivares know that they will pay a fixed interest rate of no more than 15 percent.

This is how we are facing problems; this is how we are finding solutions: through consensus. We are not projecting an image of an almighty state and a president trying to dominate and control the Venezuelans through force.

I reaffirm that I will not run out of patience. I will work side by side with all neighborhood associations from all segments of Venezuelan society to ease the burden of the current economic situation. However, we will not tolerate abuses that provoke uneasiness among the people.

For example, we are facing apparent shortages. Some people are disseminating well-coordinated rumors regarding profound and large-scale conflicts that could be unleashed in the country. As a result, worried homemakers and mothers make the mistake of hoarding, not realizing that by so doing they could be leaving little for others who cannot afford to keep stocks at home.

We are tackling all these problems that concern me as president. However, I have great faith that we will solve them and that at the end of my tenure I will be able to turn over a calm and happy country on its way to a great future.

[Moderator] Coromoto Alvarez, ULTIMAS NOTICIAS' presidency correspondent is next.

[Alvarez] Mr President, according to analyses made by leaders in the country, the regrettable incidents that occurred on 27 and 28 February and 1 March have led some people to claim that the nation's leadership was impaired. The government, business leaders, and labor leaders have been questioned.

As you said, violence erupted partially because of excessive increases in mass transportation fares and, of course, because of the protests by low-income people against measures imposed by the IMF, which have been rejected by the country in general.

For example, Juan Jose del Pino, president of the CTV [Confederation of Venezuelan Workers], has questioned the ability of the president of the Central Bank of Venezuela. I was listening this morning to a radio commentary saying that to make corrections is to be wise, referring to the cabinet's change in policy regarding interest rates for the benefit of families who take out home mortgages for up to 1.5 million bolivares. We wonder, however, what about a Venezuelan who has a home mortgage over 1.5 million bolivares? Likewise, what about increased student bus fares, which were also a spark that ignited the outbreak of violence that led to events all Venezuelans truly regret?

[Perez] I believe it is hasty and simplistic to say the Venezuelan leadership has been nonexistent and weak in reacting to the events in late February and early March. No, it is quite different. What the country showed us with those events is that we cannot continue to abuse the people's patience and that it is necessary to confront problems. The country's leaders were surprised, because those social movements are like earthquakes; you cannot predict when they will happen. When you become aware of it, the earth is already trembling, and then you cannot

save yourself. The same happens with these social outbursts. That is what happened. It is a big lesson and a red alert, not only for Venezuela but for all of Latin America. It is also a lesson for the industrialized countries, which had been carelessly handling the problems of our countries' economies without taking us into consideration at all. That is the situation that we had to face here.

As for the issue of transportation fares, unfortunately many of the bus owners began to speculate after the rise in the price of gasoline. That was a spark, but any other event could have had the same result. Pressure had been building up for years in Venezuela, and the situation could no longer be held back, so it exploded. We must understand that such a situation puzzles everyone, and so, in response, people say the first thing that comes to their minds. For example, you mentioned Juan Jose del Pino. He is a great Venezuelan leader, the CTV president, but that does not mean that everything he says is the word of God. Many times he makes mistakes, and other times he says very interesting things. It is always a good idea to listen to him, but we cannot expect everyone to always tell us what should be done. We are all trying.

For example, I am very pleased with the performance of Pedro Tinoco as president of the Central Bank. This is because at this stage of the concerted effort, we have assigned a private sector leader the responsibility of coping with basic monetary policies that affect the country so much at this time. We are not implementing policies that would exclude other sectors, like a partisan or a totalitarian government would do. Thus, I am not worried or bothered. On the contrary, I believe we are showing that there is freedom of thought, that there is even criticism coming from people who hold important government positions, and that these things will continue. That will make us true democrats and will teach us to tolerate ourselves more all the time. The country will realize what is happening.

During the election campaign, Juan Jose del Pino told me in a speech that the workers would not carry me on their shoulders into the Presidential Palace. He said they supported me because they had confidence in my policy. I answered him that I was not expecting them to carry me in, but I would feel very pleased if Juan Jose del Pino and the workers carried me on their shoulders out of the palace at the end of my presidential term, thanking me for having courageously confronted the Venezuelan situation. I believe the most difficult thing for a person to do is to correct himself. Corrections are not evidence of cowardice or weakness, but rather are evidence of character. I will always be willing to make corrections when I believe I have made a mistake. So far, fortunately, the political and economic steps we have taken have proved to be efficient and necessary.

We have not made any corrections to our housing policy. A decision to free interest rates has been made. Those rates [words indistinct]. Rather, we have been correcting,

as is our duty, any problems that could have resulted from any of the political measures that have been taken. We have shared with the banking sector a solution to the housing problem by covering home mortgages up to 1,500,000 bolivares. We also understand that there are middle-class people who have mortgages between 1,500,000 and 3,000,000 bolivares, but we will not be able to tackle their problem. We discussed this, too. It is a less pressing problem. Some people could still lose their homes. We have begun a study with banks to find ways to solve the problems of these middle-class people. The banks are aware of this. This is why we announced yesterday the creation of a committee to reach an agreement with banks. We will take care of this problem.

Now, let us look at the problem of student bus fares. This half fare was established by the government. But some bus owners have been reluctant to accept the measure. We have had problems in subsidizing the bus owners so they can apply the half fare. But we are in the process of solving this. Something similar is happening with the so-called school food subsidies. And what is this program? Our country is so disorganized that schools are the only places where we can take care of the poor's needs. All the children are there, particularly poor children. All right, we will subsidize mothers of poor families directly through schools. And in this way, we will find solutions to each of the problems of the Venezuelan community while waiting for the economy to stabilize, for full employment, and for prices that match the country's current salaries.

[Moderator] Jaime Granda of DIARIO 2,000.

[Granda] Mr President, the tension between the government, industrialists, and businessmen exasperates the rest of the people, who are the majority. This majority is even under the impression that industrialists and businessmen would rather see the government collapse than make the sacrifice the government is asking of them. One indication of this is the position of the pharmaceutical industry, which refuses to supply drug stores unless its letters of credit are not given a 14.5-percent interest rate. In view of this obstacle, what other solution does the government have apart from the slow process of reaching an agreement to speed up the economic reforms?

[Perez] This question of yours is extremely important and helps me very much coordinate the ideas and thoughts I want to transmit to all my countrymen. The government's policy does not intend to burden the poor but to spread measures among all sectors—that is, to include the wealthy businessmen.

We are dealing with an in-depth economic reform. We must reorganize the economy, balance it, and provide a sound foundation for it. For the first time, businessmen have been confronted with the responsibility to make a sacrifice. We have the letters of credit problem, as well as others that have created a difficult situation for businessmen. Some of them were unable to understand the

situation and became angry and protested. Others understand the situation and try to cooperate with the government so the problem can be settled.

We had two choices: Either the state intervened abruptly or an agreement was reached. The first measure could apparently solve the problems more rapidly. But this is a lie, an illusion. We would leave behind resistance and dissatisfaction. We would encourage capital flight because businessmen would think they cannot do business here. You know that, unfortunately, money has no homeland. So we have chosen the democratic way, that of an agreement. It is more difficult and traumatic, but it lets the people apply pressure. So businessmen are not being pressured only by the government but by the community as well, which demands businessmen understand they also have to share in this responsibility.

In addition, it would be unfair for us to scold businessmen. Ever since mankind evolved, there are some who understand and some who do not; there some who act in good faith and some who do not. There have been difficulties, of course. It is very difficult for businessmen to understand this new reality overnight. So far, however, we have succeeded in reaching agreements. As you know, through a decree or law, we could have quickly imposed a salary raise on the private sector.

Instead, we preferred to wait a little longer and managed to get CTV workers and businessmen to reach an agreement on salary increases. The government first set an example by raising its workers' salaries. Thus, we are showing that we can in fact reach a consensus and that Venezuelans are willing and able to face this situation, because everyone understands that a sacrifice must be made.

You mentioned the problem of the pharmaceutical industry. I believe we are running the risk of having shortages of certain important items, because dollars needed to import the items are not flowing quickly enough or because the prices of those items are frozen. The latter makes the cost of raw materials disproportionate to the price of those products. The pharmaceutical industry is facing the risk of raw material shortages. We told this industry's leaders that we understand their problems but that we cannot carelessly deal with products that are so important to the country such as medicines.

However, we have reached an agreement, and there will be no shortages. Certain medicines will be considered part of the family basket and be subject to controls. Other less essential medicines will not be subject to controls. In this way, we will balance the price of medicines.

[Moderator] Carlos Subero, political writer of DIARIO DE CARACAS.

[Subero] Good evening, Mr President. Yesterday, while I was getting a haircut, my barber...

[Perez, interrupting] How much did you pay? [laughter]

[Subero] I paid 70 bolivares.

[Perez] The most I have paid is (?20) bolivares for a haircut. [laughter]

[Subero] The barber told me that...

[Perez, interrupting] Nevertheless, he did a good job on you.

[Subero] Thank you. [laughter] The barber commented that in view of the economic situation, he was forced to cut back on luxury goods to a certain extent. He noted, however, that he saw no signs that the government is cutting back on such spending. I believe many Venezuelans are concerned over this issue. What can you say to all these people who wonder if spending on luxury goods is being cut back and if there will be an increase in social spending?

[Perez] That is very important, because while everyone must set an example, the government is the most obliged to set an example. We must provide guidance to the people.

Now, you have heard about the so-called coronation of President Perez or the big bash at President Perez' inauguration. All Venezuelans should be proud of the fact that on that occasion Venezuela was the center of world attention. Highest-level representatives from all over the world came to Venezuela for that event. They paid their for own travel, hotels, and so forth. The country paid the hotel bill of special guests as a courtesy. We did not throw a big party, although many people came to the event.

But some people have said: They talk about the bad shape we are in, and the government holds a coronation. This hurts. Many things are exaggerated. I do believe, however, that criticism is necessary. I am not complaining about that. If we spend foolishly, we should be told: You are spending money that should not be spent because of the country's situation. What your barber says is true: Everybody must make sacrifices. He is charging 70 bolivares, but that money is worth what 20 bolivares were worth some time ago, because the cost of living has gone up tremendously. He has every right to demand that the government not waste the country's money. We are working on that. It is a difficult task, because just as businessmen have a given attitude and all sectors defend what they view as their rights, the same happens in the government. Some people in the government do not understand that sacrifices have to be made and that we have to reduce spending. I am not even talking about

luxury spending. Many ministries and public offices leave the lights and air conditioning on 24 hours a day. This is absurd, but it is an example of what is happening.

We are drafting administrative procedures to reduce spending. Our administration has practically no luxury expenditures, but there is an unbelievable excess of bureaucratic spending.

We cannot dismiss people because we would be increasing unemployment, but we have frozen government hiring and appointments to government positions, so many public administration positions are becoming vacant. We are doing this to cut government spending.

We are now reviewing the number of vehicles the different government departments need with a view to reducing the number they now have since often they have more than they need. We are reviewing public administration in every aspect. No parties are allowed in any government office. We have cut travel to only what is absolutely necessary. We are trying to reduce expenses as much as possible, but the barber is right—there are still many things in public administration that are not being done right.

[Moderator] The correspondent from EL SIGLO in Maracay, Luis Manuel Escalante.

[Escalante] Good evening, Mr President. I wanted to know how the government's sacrifice compares to the people's and the business sector's sacrifices, but you have already told us a lot in that regard. I would also like to know where the resources will come from to pay off the debt to Occidental Petroleum now that the courts have ruled in its favor? Also, I would like to know what is happening in some government organizations that are still not paying the wage increases, as is the case with the IPASME [Institute of Social Welfare and Aid of the Ministry of Education]?

[Perez] There is no doubt that the debt problem in general, as we have already examined, is the greatest obstacle that our country has to overcome to promote development and the public welfare. The Occidental Petroleum problem was delayed a long time. The Venezuelan courts took 13 years to resolve this problem and arrived at this decision at the most inopportune time. I had occasion to meet in the United States with a high-ranking Occidental Petroleum representative, and I invited [Occidental Chairman] Mr [Armand] Hammer to visit us to discuss this matter. The auditors have not yet determined how much we have to pay Mr Hammer. My idea is to propose to Mr Hammer that the money we have to pay him be invested in Venezuela and that way we would not have to pay the debt. [as heard]

I am surprised by what you tell me about the IPASME, because I had been told that all government offices and departments were paying the wage increase. The only thing I can say is that after this news conference I will investigate what is going on at the IPASME.

[Moderator] Correspondent of the newspaper EL INFORMADOR in Barquisimeto, Yolanda Ojeda.

[Ojeda] Good evening, Mr President. It is surprising.

Mr President, that in spite of all the criticism leveled at your package of economic measures throughout the country, you continue to insist that these measures are inevitable. My somewhat naive question is, are you perhaps being visited by a ghost or a sorcerer's apprentice who is showing you the wrong path, and are you running the risk of leaving Miraflores Palace without full honors?

[Perez] I wish I had a sorcerer or ghost who came to visit me. Perhaps I would keep it a secret, but I would be very pleased because people say that sorcerers and ghosts give good advice since they know the unknown and see what cannot be seen or foreseen. No, it is very difficult to understand this situation. I have been saying that we are all disconcerted here. The fact is that we reached a situation where we ran out of international reserves. We do not have the money to meet the debt payments or to import what the country needs. We have to resort to international loans to solve the debt problem. This inevitably led us to negotiate with the IMF, but above all, it led us to look at the causes of our problems and errors and to correct them. This correction is very costly. Fortunately, in spite of the seriousness of the situation, of all the sacrifices that our people are having to make, we are going to solve the problem and begin a new era of peace and progressive welfare for Venezuelans. But if you find that ghost anywhere, bring him to me. I will not tell anyone.

[Moderator] Yajaira Jimenez, correspondent for ANTORCHA, from El Tigre, Anzoategui State.

[Jimenez] Good evening, Mr President. I have two questions on matters that concern the people of Anzoategui State. During the election campaign, you promised to include the cities of El Tigre and Barcelona in the second stage of the national railroad plan, which is the trunk line for the eastern region. Officially, the president of Ferrocarril announced that the trunk line would connect Ciudad Guayana and Maturin through the El Tuy. I want to know if it is true that El Tigre and Barcelona are excluded from this project and, if so, why? Also, what progress has been made on the Amana River dam project, and when will this project be completed?

[Perez] The railroad plan has been one of my great ambitions and dreams since my last term in office. The details on this are not important now. That railroad plan was interrupted. We are resuming it now but under more

difficult circumstances. Nevertheless, we are getting near the bidding stage for the Ciudad Guayana-El Tuy line and the El Tuy-Caracas-Valencia-Puerto Cabello line, including Maracay, since plans call for this to be the first major national railroad trunk line to be built.

I believe that in 3 months we will be making the final announcements and beginning work. However, the railroad line does not go where the president or the transportation and communications minister say, but where the technicians decide to place it from engineering, economics, and other standpoints. At this time, I cannot tell you whether it will go through El Tigre or through Maturin. What I can tell you is that Anzoategui is such an important area that the national railroad network will pass through it in its initial stages. It has not been excluded. That would be absurd. Furthermore, oil and gas development, which we are going to promote more in the east as a matter of distributive justice, will make the railroad even more necessary in that area.

It has already been determined that the port that will be used to take the large volume of material from La Guayana is Guanta. Therefore, the railroad will inevitably go through that area. Be patient, as I am. I regret that the projects on Cambur, the Tachira Aqueduct, the Centro Aqueduct for Aragua and Carabobo, the Amana-Maturin railroad—so important for the states of Monagas and Anzoategui—have not been completed and that the (Tuiniquire) project was not completed until now. With regard to the Amana Dam, we have plans to begin construction on this major regional aqueduct.

[Moderator] The director of THE DAILY JOURNAL, (Tony Bien), will ask the last question at this news conference with President Carlos Andres Perez.

[(Bien)] Good evening, Mr President. I have two questions. Throughout your campaign, and afterwards, you have denounced the high interest rates that Venezuela has been paying on its foreign debt. How do you explain the very high interest rates we are paying now at the national level? My second question is: You are in the midst of sectors with different opinions—the private sector, labor, and the party. Even within your own cabinet there are big differences of opinion. I imagine you would rather be a hypnotist than a seeker of compromises. What is the outlook for securing a general agreement on economic measures before 1 May?

[Perez] Hypnotism would not solve anything and would mean deceiving the people. It is natural for differences to exist because we are facing a difficult problem. What is civil society? What is a nation? It is the existence of various interests linked by legal and geographic conditions. How can you imagine unity and understanding among all sectors? That is impossible, except, perhaps, in heaven.

What an intelligent administration has to do is to try to keep the number of differences and confrontations to a minimum. This is obvious. We are succeeding in this regard. There are examples. For the first time in Venezuela, salaries have been raised as a result of agreements. For the first time, a certain interest rate has been secured for low-income people who own mortgaged homes, as the result of agreements. For the first time in Venezuela, all sectors know that they have to make sacrifices to solve problems. This is inevitable. High interest rates are the result of the debt and of the high interest rates we pay on the debt. Venezuela is going through a period of inflation.

Interest rates must be in line with inflation rates, otherwise capital would leave the country to seek higher returns elsewhere, and capital flight would continue in this country. Consider this: The exchange rate for the dollar was over 40 bolivares when the measures began, and it is now below 36 bolivares. We are conducting daily surveys on the benefits of the measures we are taking and on why interest rates are going up. So, as the inflation rate drops, so will interest rates. We hope that will happen soon.

Now, you mentioned huge differences. There are no differences between cabinet members. The day there are differences, that minister or deputy minister will leave the cabinet. That is clear. However, speculation and gossip are common, so people talk about differences

among members of the cabinet. I would be the unhappiest president in the world if every minister replied immediately: Yes, Mr President, everytime I said something. I have ministers who comment on, think about, and debate things. However, when we arrive at a decision, it is everybody's decision. That is how we are acting. This coherence represents the fundamental support to my government policies.

This concludes this news conference. I am very grateful for your presence, the frankness of your comments, and the questions you asked. I am proud to say I was not given even a hint about what the newsmen would ask me, since if I had known the questions in advance, the news conference would have lost its effectiveness, and those listening would not have heard what they wanted to hear. The fact is you are the people's voice. You express here what you hear in the streets, and what people say and feel in the streets. I am very satisfied with this series of news conferences, which will continue every other week. Today at noon I will inaugurate a National Radio Association program, during which I will announce that I will have a very brief talk with the people at 0615 every Thursday. Venezuelans are early risers, I know. This is the calmest time for Venezuelans to hear their president. I will speak every week on all of the country's radio stations, so Venezuelans can learn from their president about the fundamental problems and feel I am on the side of the country as the representative of all Venezuelans. And so, we will be in regular contact. Thank you, newsmen. I also want to convey my affection for, trust in, and optimism regarding what we are doing and in Venezuela's future. Good bye.

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